


**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☒

<b>APPLICATION FOR PERMIT TO DRILL</b>						<b>1. WELL NAME and NUMBER</b> Main Canyon 27-10							
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						<b>3. FIELD OR WILDCAT</b> UNDESIGNATED							
<b>4. TYPE OF WELL</b> Gas Well <input type="checkbox"/> Coalbed Methane Well: NO <input type="checkbox"/>						<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>							
<b>6. NAME OF OPERATOR</b> ROBERT L. BAYLESS, PRODUCER LLC						<b>7. OPERATOR PHONE</b> 505 564-7802							
<b>8. ADDRESS OF OPERATOR</b> P.O. Box 168, Farmington, NM, 87499						<b>9. OPERATOR E-MAIL</b> kmccord@rlbayless.com							
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> ML-51594				<b>11. MINERAL OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>				<b>12. SURFACE OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>					
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b>						<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>							
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b>						<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>							
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>				<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>				<b>19. SLANT</b> VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/>					
<b>20. LOCATION OF WELL</b>		<b>FOOTAGES</b>		<b>QTR-QTR</b>		<b>SECTION</b>		<b>TOWNSHIP</b>		<b>RANGE</b>		<b>MERIDIAN</b>	
LOCATION AT SURFACE		2300 FSL 1650 FEL		NWSE		27		15.0 S		23.0 E		S	
Top of Uppermost Producing Zone		870 FSL 630 FEL		SESE		27		15.0 S		23.0 E		S	
At Total Depth		870 FSL 630 FEL		SESE		27		15.0 S		23.0 E		S	
<b>21. COUNTY</b> UINTAH				<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 830				<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 760					
				<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 3221				<b>26. PROPOSED DEPTH</b> MD: 9989 TVD: 9600					
<b>27. ELEVATION - GROUND LEVEL</b> 7969				<b>28. BOND NUMBER</b> 141769447				<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> 43-8496					
<b>Hole, Casing, and Cement Information</b>													
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Length</b>	<b>Weight</b>	<b>Grade &amp; Thread</b>	<b>Max Mud Wt.</b>	<b>Cement</b>		<b>Sacks</b>	<b>Yield</b>	<b>Weight</b>		
COND	20	14	0 - 100	0.25	Unknown	0.0	Type V		150	1.15	15.8		
SURF	12.25	9.625	0 - 1000	36.0	J-55 ST&C	0.0	Class G		530	1.15	15.8		
PROD	8.75	5.5	0 - 9989	17.0	N-80 LT&C	9.4	Premium Lite High Strength		450	3.82	11.0		
							50/50 Poz		1770	1.26	14.2		
<b>ATTACHMENTS</b>													
<b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>													
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER							<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN						
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)							<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER						
<input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)							<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP						
<b>NAME</b> Habib Guerrero					<b>TITLE</b> Operations Engineer					<b>PHONE</b> 505 564-7810			
<b>SIGNATURE</b>					<b>DATE</b> 06/28/2011					<b>EMAIL</b> hguerrero@rlbayless.com			
<b>API NUMBER ASSIGNED</b> 43047517180000					<b>APPROVAL</b>  Permit Manager								

**RECEIVED: September 27, 2011**

## **Robert L. Bayless, Producer LLC**

### **DRILLING PROGRAM**

(Attachment to Form 3)

#### **MAIN CANYON #27-10**

SHL: 2300' FSL & 1650' FEL (NWSE)

BHL: 870' FSL & 630' FEL (SESE)

Section 27, T15S R23E

Uintah County, Utah

**State Lease: ML - 51594**

Please contact Habib Guerrero, Operations Engineer for Bayless at (505) 326-2659 if there are any questions or concerns regarding this Drilling Program.

**THIS PROPOSED WELL WILL BE DIRECTIONAL DRILLED.**

GEOLOGIC SURFACE FORMATION – Green River Formation.

SURFACE ELEVATION - 7,969 ft (Ground elevation)

ESTIMATED FORMATION TOPS (Water, oil, gas and/or other mineral-bearing formations)

Wasatch	1,498 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Mesaverde	2,182 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Sego	3,889 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Castlegate	4,187 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Mancos B	4,369 ft	Shale and siltstones, some water, oil or gas bearing
Dakota –Cedar Mtn	8,239 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Morrison	8,474 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Entrada	9,147 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Wingate	9,682 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Chinle	9,926 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
TOTAL DEPTH:	9,989 ft	

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth, and adequately protected. A sample will be taken of any water flow and furnished to the Vernal Resource Area Office for analysis, if requested.

**RECEIVED: June 27, 2011**

CASING PROGRAM

(See attached surface casing and centralizer design – Exhibit 2)

Depth	Hole Diameter	Casing Diameter	Casing Weight and Grade	Cement *
Surf – 100 ft	20"	14"	0.250# wall GradeA	To surface with $\pm 100$ of ready mix
1,000 ft	12-1/4"	9-5/8"	36.# J-55 STC	To surface with $\pm 530$ sxs Class "G"
9,989 ft	8 3/4"	5 1/2"	17# N-80 LTC	<b>Lead:</b> $\pm 450$ sxs Premium G w/16% gel (4500 ft - surface) <b>Tail:</b> $\pm 1770$ sxs 50:50 Pozmix G (4500 ft – 9989 ft)

\*Cement Yields:

"Class G" = 1.15 ft<sup>3</sup>/sx

"Premium G w/16% gel" = 3.82 ft<sup>3</sup>/sx

"50:50 "Pozmix G" = 1.26 ft<sup>3</sup>/sx

\* - Actual cement volume will be determined by caliper log.

PRESSURE CONTROL

(See attached BOP schematic diagram – Exhibit 3)

All well control equipment shall be installed in accordance with Onshore Order #2 for 5M (5000 psi) systems.

Well control equipment will be rigged up after setting surface casing.

BOP's and choke manifold will be installed and pressure tested before drilling out under surface casing and anytime a new casing string is set (subsequent pressure test will be performed whenever pressure seals are broken), and then will be checked daily as to mechanical operating condition. BOP's will be pressure tested at least once every 30 days. Ram type preventors and related pressure control equipment will be pressure tested to rated working pressure of the stack assembly if a test plug is used. If a plug is not used, the stack assembly will be tested to the rated working pressure of the stack assembly or to 70% of the minimum internal yield of the casing, whichever is less. Annular type preventors will be pressure tested to 50% of their rated working pressure. All casing strings will be pressure tested to 0.22 psi/ft. or 1500 psi, whichever is greater, not to exceed 70% of internal yield.

MUD PROGRAM

Interval	Mud Type	Weight (ppg)	Viscosity	Water Loss (cc)
0 - 100'	Air Water Mist			
100-1000'	Air Water Mist			
1000'-9989'	KCL/polymer system	8.4- 9.4	45 - 60	6-8

Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kick" will be available at the well site while drilling. Mud will be checked hourly by rig personnel. Material to soak up possible oil or fuel spills will be on site. A mud logger, gas detector and flow sensor will be used. Pressure, volume and temperature will be monitored.

#### AUXILIARY EQUIPMENT

- A) Upper Kelly cock (lower kelly cock - will be available on rig floor)
- B) Inside BOP or stab-in valve (available on rig floor)
- C) Mud monitoring will be visually observed.

#### LOGGING, CORING, AND TESTING PROGRAM

- A) Logging: Triple combination log will be run from TD to base of surface casing (GR-RES-CNL to surface)
- B) Coring: No Cores are planned.
- C) Testing: No DSTs are planned. A DST may be run on an unexpected show of interest.
- D) Mud Logging: Mud logger will be present from 1000 ft to TD.

#### ABNORMAL CONDITIONS

- A) Pressures: No abnormal conditions are anticipated,  
Formation pressure gradient – approximately 0.43 psi/ft
- B) Temperatures: No abnormal conditions are anticipated
- C) H<sub>2</sub>S: None anticipated
- D) Estimated bottomhole pressure: 4,128 psi

#### ANTICIPATED START DATE

The anticipated starting date and duration of the drilling operations will be as follow:

Starting date:	August 1, 2011
Drilling Days:	Approximately 20 days
Completion Days:	Approximately 5 days

The well will be drilled from surface location to bottom hole location per attached directional plan as shown on exhibit 8. The proposed well path should not pose any collision or interference concerns with any existing wells along its proposed path (see exhibit 1B).

Existing location pad will be of sufficient size to accommodate all completion activities and equipment without new surface disturbance. All conditions of this approved plan will be applicable during all drilling and completion operations.

#### COMPLETION

Fracture stimulation of the Entrada interval is anticipated for completion of the well. A string of 2-3/8" 4.7# J-55 tubing will be run inside casing for use as a flowing string.

**Robert L. Bayless, Producer LLC****MAIN CANYON #27-10**

SHL: 2300' FSL &amp; 1650' FEL (NWSE)

BHL: 870' FSL &amp; 630' FEL (SESE)

Section 27, T15S R23E

Uintah County, Utah

**State Lease: ML - 51594****SURFACE CASING AND CENTRALIZER DESIGN**

Proposed Total Depth:	9,989 ft	Proposed Depth of Surface Casing:	1,000 ft
Estimated Pressure Gradient:	0.43 psi/ft		
Bottom Hole Pressure at 10,274 ft		Hydrostatic Head of gas/oil mud:	0.22 psi/ft
0.43 psi/ft x 9,989 ft =	4,295 psi	0.22 psi/ft x 9,989 ft =	2,198 psi

**Maximum Design Surface Pressure**

Bottom Hole Pressure	—	Hydrostatic Head	=	
(0.43 psi/ft x 9,989 ft )	—	(0.22 psi/ft x 9,989 ft )	=	
4,295 psi	—	2,198 psi	=	2,097 psi

<b><u>Casing Strengths</u></b>	9-5/8" J-55 36.0 #/ft ST&C		
<u>Wt (#/ft)</u>	<u>Tension (lbs)</u>	<u>Burst (psi)</u>	<u>Collapse (psi)</u>
36.0	394,000	3,520	2,020

**Safety Factors**

Minimum Standards:	Tension (Dry): 1.8	Burst: 1.0	Collapse: 1.125
Tension (Dry): Casing Weight:	36.0 #/ft x 1000 ft	=	36,000 lbs
Safety Factor:	452,000 lbs / 36,000 lbs	=	<b><u>10.94</u> OK</b>
Burst:	Safety Factor: 3,520 psi / 2,097 psi	=	<b><u>1.68</u> OK</b>
Collapse:	Hydrostatic: 0.052 x 9.0 ppg x 1000 ft	=	488 psi
Safety Factor:	2,020 psi / 488 psi	=	<b><u>4.14</u> OK</b>

Use: 1000 ft of 9 5/8" 36.0 #/ft J-55 ST&C casingUse: 5M BOPE and casing head**Centralizers**

Centralizers will be placed at middle of bottom joint, top of second joint, top of third joint and every other joint

Surface Hole Centralizers: Use 10 total

Production Hole Centralizers: Use 25 total

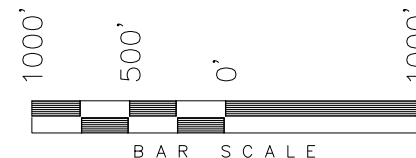
Note that field experience indicates that additional centralizers greatly increase the chance of "sticking" the surface casing prior to reaching surface casing total depth.

**T15S, R23E, S.L.B.&M.**

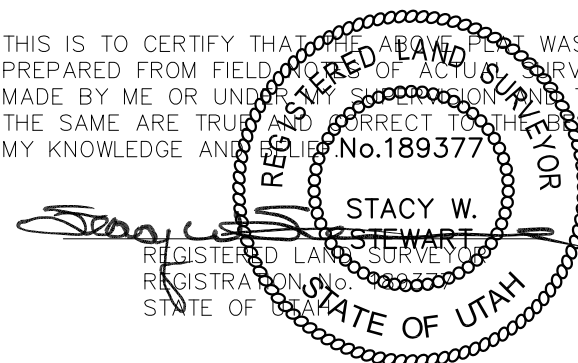
N89°52'W - 79.96 (G.L.O.)

**ROBERT L. BAYLESS PRODUCER**

WELL LOCATION, MAIN CANYON #27-10,  
LOCATED AS SHOWN IN THE NW 1/4 SE  
1/4 OF SECTION 27, T15S, R23E,  
S.L.B.&M. UINTAH COUNTY, UTAH.

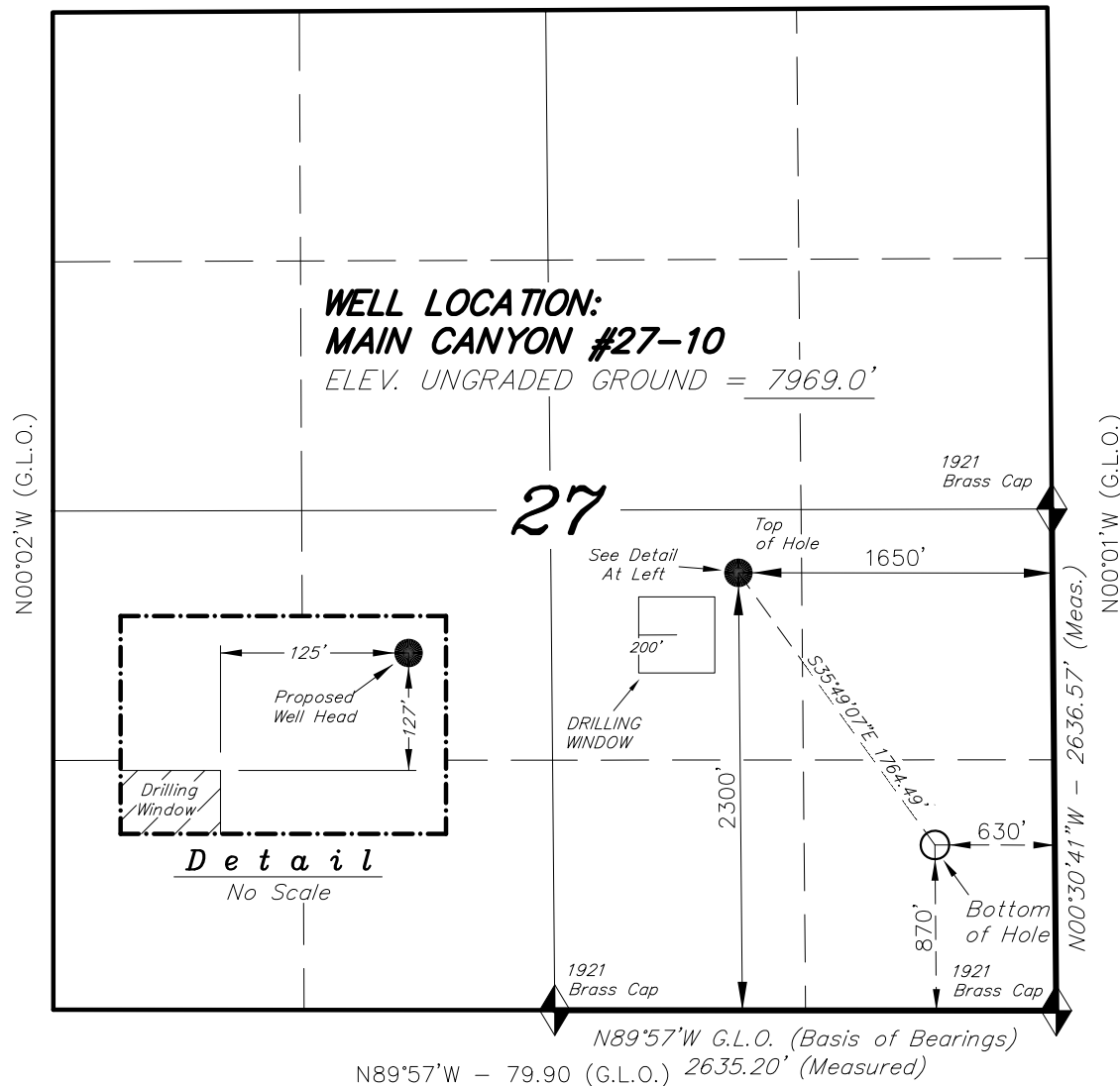


THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS  
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS  
MADE BY ME OR UNDER MY SUPERVISION AND THAT  
THE SAME ARE TRUE AND CORRECT TO THE BEST OF  
MY KNOWLEDGE AND BELIEF. No. 189377

**TRI STATE LAND SURVEYING & CONSULTING**

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078  
(435) 781-2501

DATE SURVEYED: 05-30-08	SURVEYED BY: C.D.S.
DATE DRAWN: 06-02-08	DRAWN BY: F.T.M.
REVISED: 01-24-11 PAUL	SCALE: 1" = 1000'



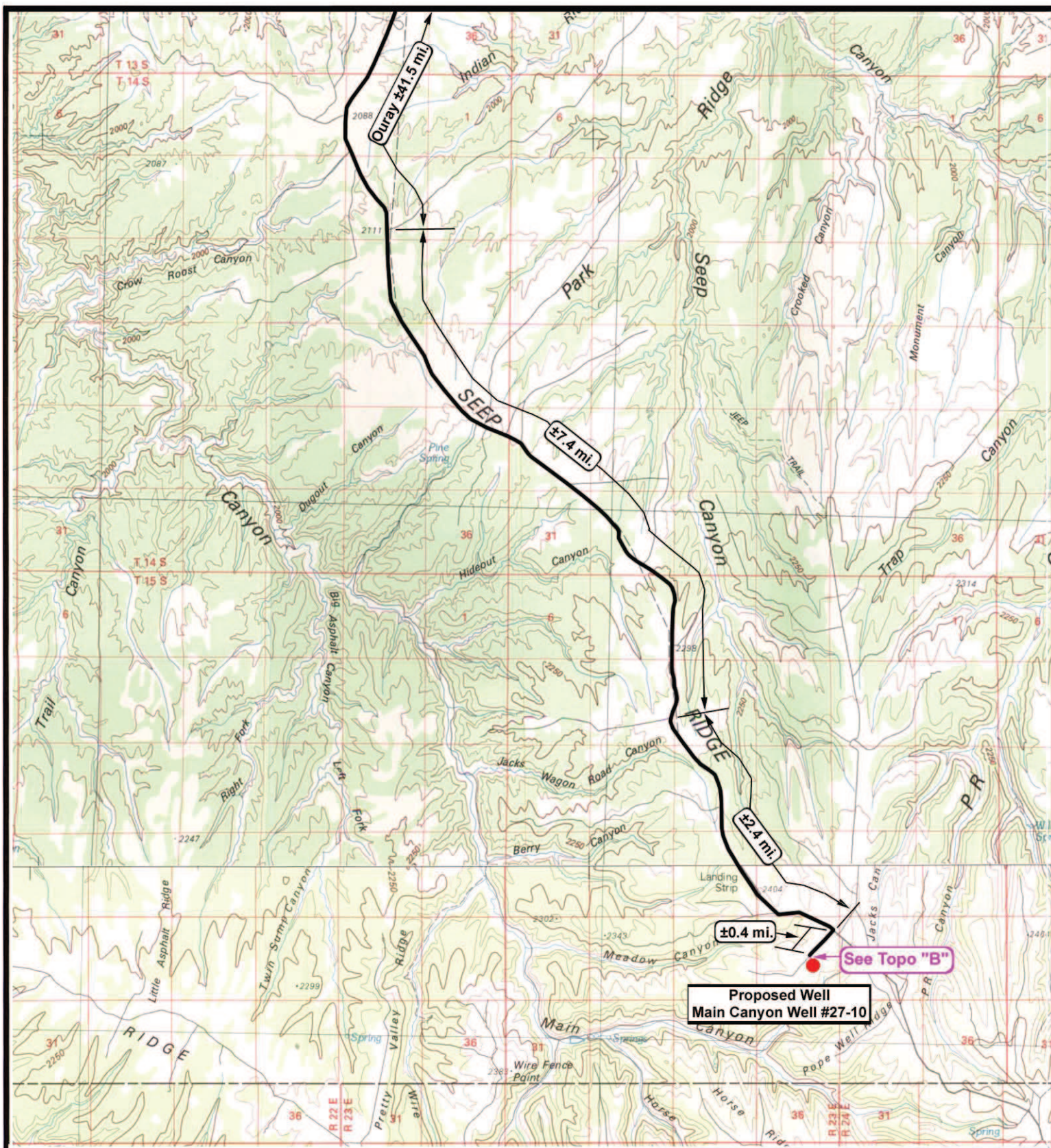
**MAIN CANYON #27-10**  
**(Surface Location) NAD 83**  
LATITUDE = 39° 28' 59.39"  
LONGITUDE = 109° 19' 32.11"

◆ = SECTION CORNERS LOCATED

BASIS OF ELEV;  
U.S.G.S. 7-1/2 min QUAD (P R SPRING)

**RECEIVED: June 27, 2011**





**Robert L. Bayless**  
**Producer**

**Main Canyon Well #27-10 (Proposed Well)**  
**Pad Location NWSE SEC. 27, T15S, R23E, S.L.B.&M.**



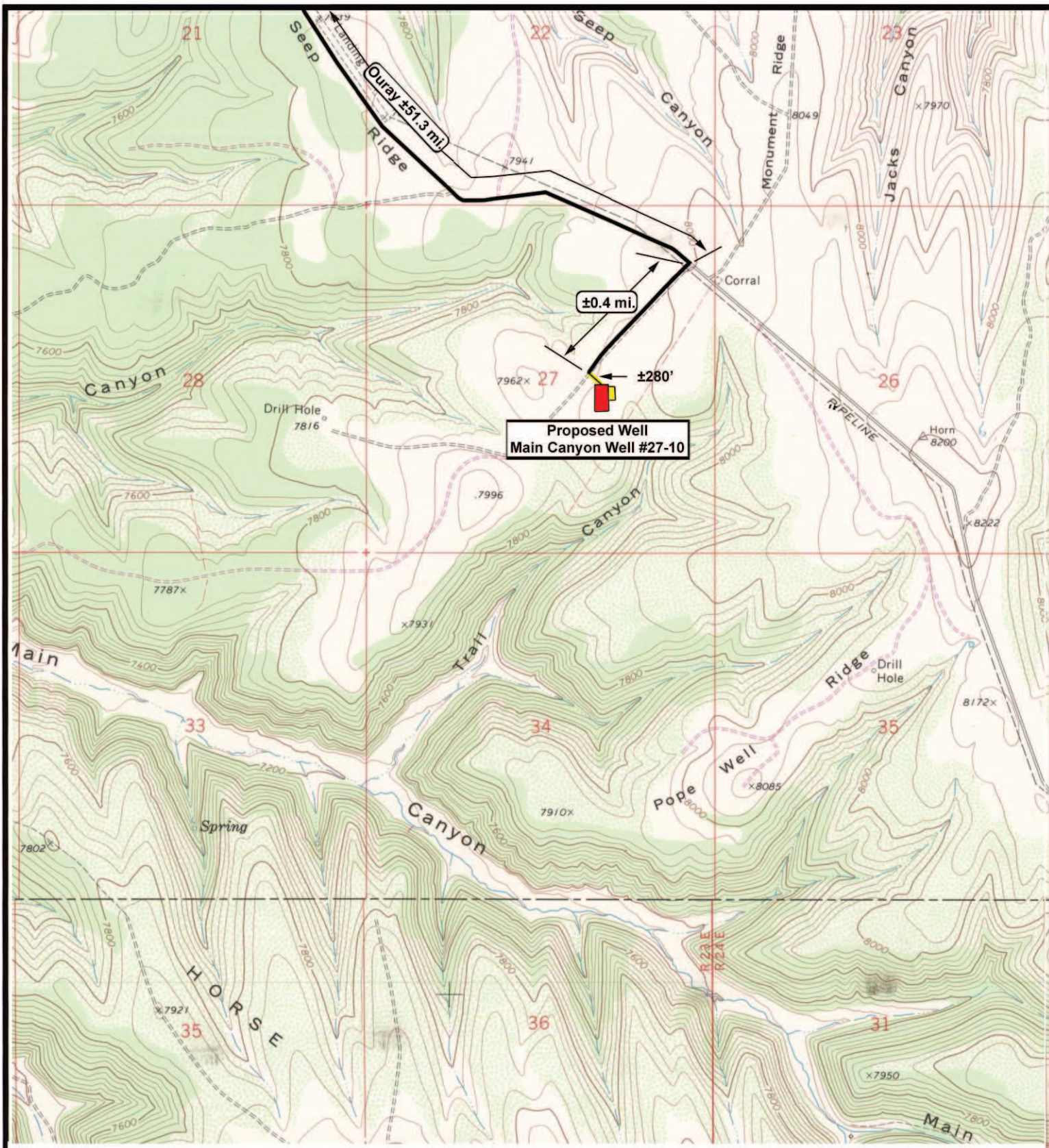
**Tri-State**  
**Land Surveying Inc.**  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

**SCALE: 1:100,000**  
**DRAWN BY: JAS**  
**DATE: 06-06-2008**

**Legend**  
— Existing Road  
— Proposed Access

**TOPOGRAPHIC MAP**  
**"A"**





**Robert L. Bayless  
Producer**

**Main Canyon Well #27-10 (Proposed Well)**  
Pad Location NWSE SEC. 27, T15S, R23E, S.L.B.&M.



**Tri-State  
Land Surveying Inc.**  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2000'  
DRAWN BY: JAS  
DATE: 06-06-2008

**Legend**

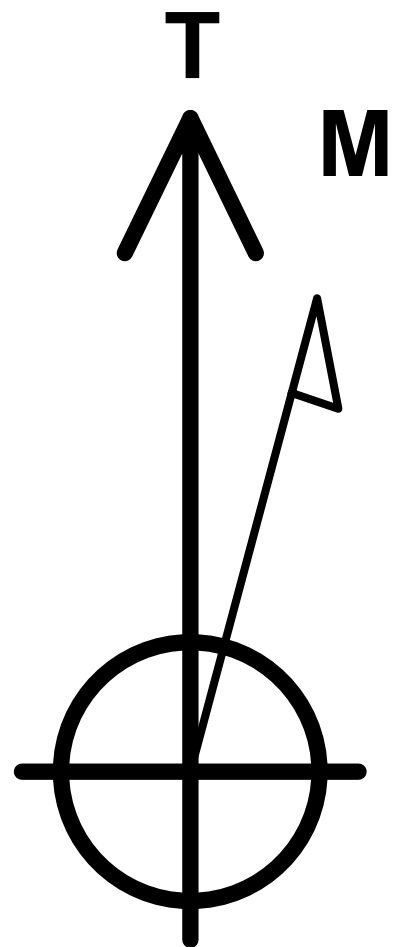
Existing Road  
Proposed Access

TOPOGRAPHIC MAP

**"B"**



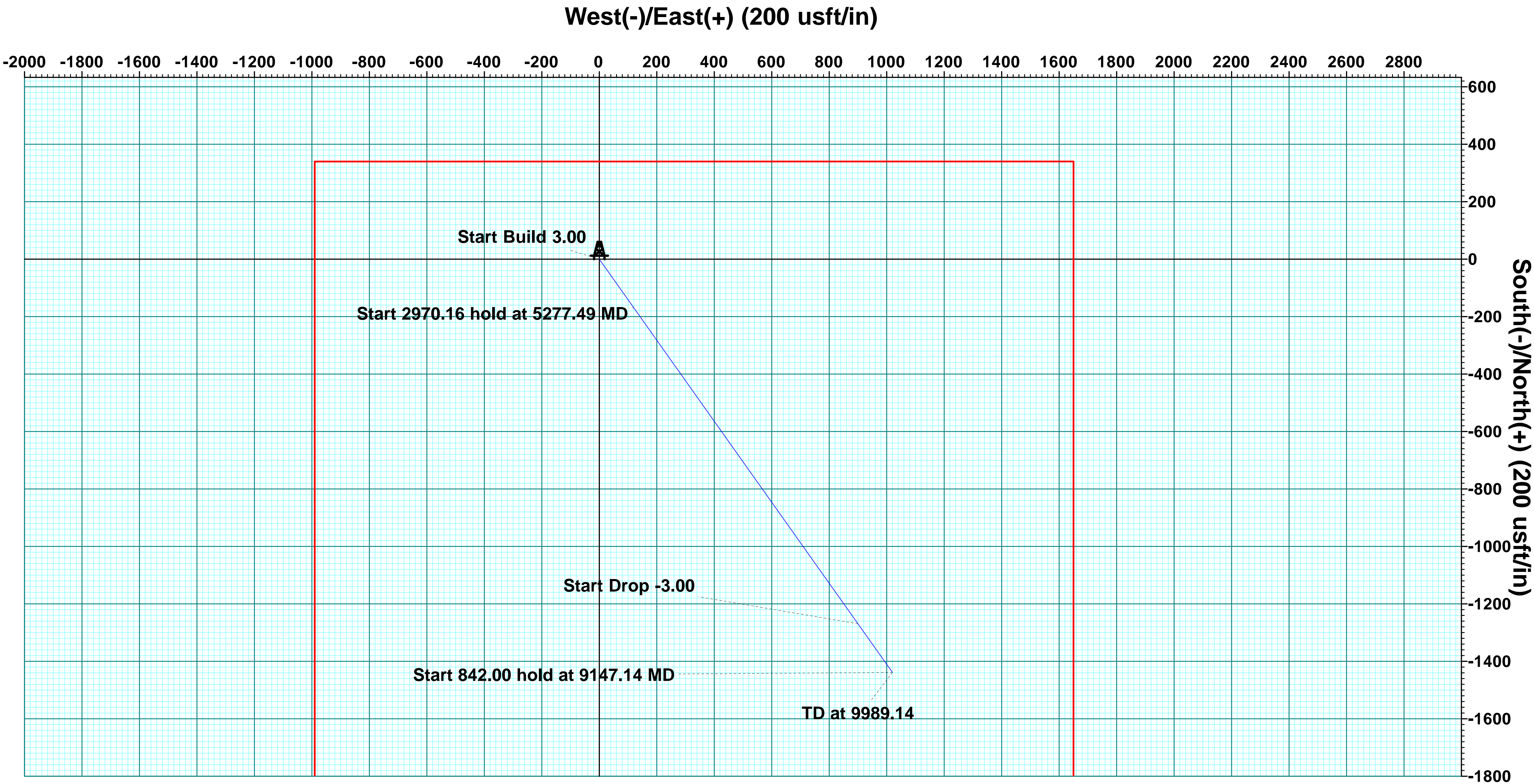
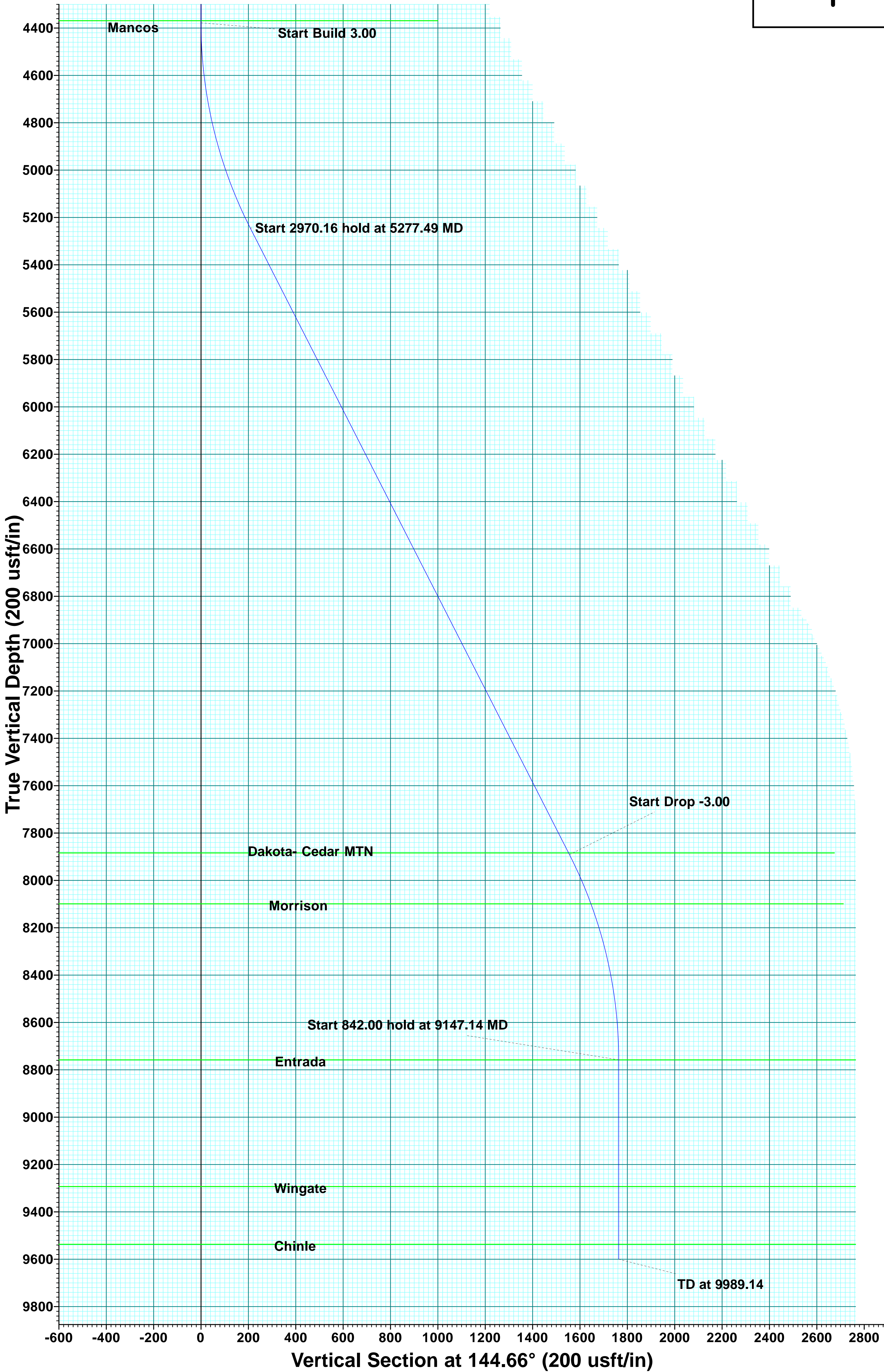
Robert L. Bayless, Producer LLC



Azimuths to True North  
Magnetic North: 10.95°

Magnetic Field  
Strength: 52119.8snT  
Dip Angle: 65.50°  
Date: 01/28/2011  
Model: IGRF200510

Project: Uintah County  
Site: Main Canyon  
Well: #27-10  
Wellbore: OH  
Plan: Design #2 (#27-10/OH)



SECTION DETAILS									
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4378.00	0.00	0.00	4378.00	0.00	0.00	0.00	0.00	0.00	
5277.49	26.98	144.66	5244.61	-169.62	120.27	3.00	144.66	207.93	
8247.65	26.98	144.66	7891.39	-1269.04	899.78	0.00	0.00	1555.65	
9147.14	0.00	0.00	8758.00	-1438.66	1020.04	3.00	180.00	1763.59	BHL (MC#27-10)
9989.14	0.00	0.00	9600.00	-1438.66	1020.04	0.00	0.00	1763.59	

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)						
Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
BHL (MC#27-10)	958.00	-1438.66	1020.04	6986519.944	2255118.582	Circle (Radius: 50.00)

WELL DETAILS: #27-10						
Ground Elevation:: 7969.00						
RKB Elevation: WELL @ 7987.00usft (18' KB Elevation)						
Rig Name: 18' KB Elevation						
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	6987933.386	2254063.868	39° 28' 59.390 N	109° 19' 32.110 W	

PROJECT DETAILS: Uintah County  
Geodetic System: US State Plane 1983  
Datum: North American Datum 1983  
Ellipsoid: GRS 1980  
Zone: Utah Central Zone  
System Datum: Mean Sea Level  
Local North: True

Plan: Design #2 (#27-10/OH)	
Created By: Nate Bingham	Date: 10:33, February 04 2011
Checked: _____	Date: _____

# **Robert L. Bayless, Producer LLC**

Uintah County

Main Canyon

#27-10

OH

Plan: Design #2

## **Pathfinder X & Y Planning Report**

04 February, 2011





**Pathfinder**  
Pathfinder X & Y Planning Report



<b>Company:</b>	Robert L. Bayless, Producer LLC	<b>Local Co-ordinate Reference:</b>	Well #27-10
<b>Project:</b>	Uintah County	<b>TVD Reference:</b>	WELL @ 7987.00usft (18' KB Elevation)
<b>Site:</b>	Main Canyon	<b>MD Reference:</b>	WELL @ 7987.00usft (18' KB Elevation)
<b>Well:</b>	#27-10	<b>North Reference:</b>	True
<b>Wellbore:</b>	OH	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Design:</b>	Design #2	<b>Database:</b>	EDM 5000.1 Single User Db

Project		Uintah County	
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Central Zone		

Site		Main Canyon					
Site Position:		Northing:	6,987,933.386	usft	Latitude:	39° 28' 59.390 N	
From:	Lat/Long	Easting:	2,254,063.868	usft	Longitude:	109° 19' 32.110 W	
Position Uncertainty:	0.00	usft	Slot Radius:	13-3/16	"	Grid Convergence:	1.39 °

Well		#27-10				
Well Position	+N/-S	0.00 usft	Northing:	6,987,933.386 usft	Latitude:	39° 28' 59.390 N
	+E/-W	0.00 usft	Easting:	2,254,063.868 usft	Longitude:	109° 19' 32.110 W
Position Uncertainty		0.00 usft	Wellhead Elevation:	usft	Ground Level:	7,969.00 usft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	01/28/11	10.95	65.50	52,120

Design		Design #2			
Audit Notes:					
Version:		Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:		Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
		0.00	0.00	0.00	144.66

Survey Tool Program		Date	02/03/11		
From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description	
0.00	9,989.14	Design #2 (OH)	MWD	MWD - Standard	

**Pathfinder**  
Pathfinder X & Y Planning Report



<b>Company:</b>	Robert L. Bayless, Producer LLC	<b>Local Co-ordinate Reference:</b>	Well #27-10
<b>Project:</b>	Uintah County	<b>TVD Reference:</b>	WELL @ 7987.00usft (18' KB Elevation)
<b>Site:</b>	Main Canyon	<b>MD Reference:</b>	WELL @ 7987.00usft (18' KB Elevation)
<b>Well:</b>	#27-10	<b>North Reference:</b>	True
<b>Wellbore:</b>	OH	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Design:</b>	Design #2	<b>Database:</b>	EDM 5000.1 Single User Db

**Planned Survey**

MD (usft)	Inc (°)	Azi (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)	Northing (usft)	Easting (usft)
0.00	0.00	0.00	0.00	7,987.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
100.00	0.00	0.00	100.00	7,887.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
200.00	0.00	0.00	200.00	7,787.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
300.00	0.00	0.00	300.00	7,687.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
400.00	0.00	0.00	400.00	7,587.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
500.00	0.00	0.00	500.00	7,487.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
600.00	0.00	0.00	600.00	7,387.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
700.00	0.00	0.00	700.00	7,287.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
800.00	0.00	0.00	800.00	7,187.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
900.00	0.00	0.00	900.00	7,087.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
1,000.00	0.00	0.00	1,000.00	6,987.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
1,100.00	0.00	0.00	1,100.00	6,887.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
1,200.00	0.00	0.00	1,200.00	6,787.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
1,300.00	0.00	0.00	1,300.00	6,687.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
1,400.00	0.00	0.00	1,400.00	6,587.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
1,500.00	0.00	0.00	1,500.00	6,487.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
1,600.00	0.00	0.00	1,600.00	6,387.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
1,700.00	0.00	0.00	1,700.00	6,287.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
1,800.00	0.00	0.00	1,800.00	6,187.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
1,900.00	0.00	0.00	1,900.00	6,087.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
2,000.00	0.00	0.00	2,000.00	5,987.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
2,100.00	0.00	0.00	2,100.00	5,887.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
2,200.00	0.00	0.00	2,200.00	5,787.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
2,300.00	0.00	0.00	2,300.00	5,687.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
2,400.00	0.00	0.00	2,400.00	5,587.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
2,500.00	0.00	0.00	2,500.00	5,487.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
2,600.00	0.00	0.00	2,600.00	5,387.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87



**Pathfinder**  
Pathfinder X & Y Planning Report



<b>Company:</b>	Robert L. Bayless, Producer LLC	<b>Local Co-ordinate Reference:</b>	Well #27-10
<b>Project:</b>	Uintah County	<b>TVD Reference:</b>	WELL @ 7987.00usft (18' KB Elevation)
<b>Site:</b>	Main Canyon	<b>MD Reference:</b>	WELL @ 7987.00usft (18' KB Elevation)
<b>Well:</b>	#27-10	<b>North Reference:</b>	True
<b>Wellbore:</b>	OH	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Design:</b>	Design #2	<b>Database:</b>	EDM 5000.1 Single User Db

**Planned Survey**

MD (usft)	Inc (°)	Azi (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)	Northing (usft)	Easting (usft)
2,700.00	0.00	0.00	2,700.00	5,287.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
2,800.00	0.00	0.00	2,800.00	5,187.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
2,900.00	0.00	0.00	2,900.00	5,087.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
3,000.00	0.00	0.00	3,000.00	4,987.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
3,100.00	0.00	0.00	3,100.00	4,887.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
3,200.00	0.00	0.00	3,200.00	4,787.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
3,300.00	0.00	0.00	3,300.00	4,687.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
3,400.00	0.00	0.00	3,400.00	4,587.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
3,500.00	0.00	0.00	3,500.00	4,487.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
3,600.00	0.00	0.00	3,600.00	4,387.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
3,700.00	0.00	0.00	3,700.00	4,287.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
3,800.00	0.00	0.00	3,800.00	4,187.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
3,900.00	0.00	0.00	3,900.00	4,087.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
4,000.00	0.00	0.00	4,000.00	3,987.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
4,100.00	0.00	0.00	4,100.00	3,887.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
4,200.00	0.00	0.00	4,200.00	3,787.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
4,300.00	0.00	0.00	4,300.00	3,687.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
4,378.00	0.00	0.00	4,378.00	3,609.00	0.00	0.00	0.00	0.00	6,987,933.39	2,254,063.87
4,400.00	0.66	144.66	4,400.00	3,587.00	-0.10	0.07	0.13	3.00	6,987,933.28	2,254,063.94
4,500.00	3.66	144.66	4,499.92	3,487.08	-3.18	2.25	3.90	3.00	6,987,930.26	2,254,066.20
4,600.00	6.66	144.66	4,599.50	3,387.50	-10.51	7.45	12.89	3.00	6,987,923.06	2,254,071.58
4,700.00	9.66	144.66	4,698.48	3,288.52	-22.09	15.66	27.08	3.00	6,987,911.68	2,254,080.06
4,800.00	12.66	144.66	4,796.57	3,190.43	-37.88	26.86	46.43	3.00	6,987,896.17	2,254,091.64
4,900.00	15.66	144.66	4,893.53	3,093.47	-57.83	41.00	70.89	3.00	6,987,876.57	2,254,106.27
5,000.00	18.66	144.66	4,989.06	2,997.94	-81.90	58.07	100.39	3.00	6,987,852.92	2,254,123.91
5,100.00	21.66	144.66	5,082.93	2,904.07	-110.01	78.00	134.85	3.00	6,987,825.31	2,254,144.52
5,200.00	24.66	144.66	5,174.86	2,812.14	-142.09	100.74	174.18	3.00	6,987,793.79	2,254,168.04

**Pathfinder**  
Pathfinder X & Y Planning Report



<b>Company:</b>	Robert L. Bayless, Producer LLC	<b>Local Co-ordinate Reference:</b>	Well #27-10
<b>Project:</b>	Uintah County	<b>TVD Reference:</b>	WELL @ 7987.00usft (18' KB Elevation)
<b>Site:</b>	Main Canyon	<b>MD Reference:</b>	WELL @ 7987.00usft (18' KB Elevation)
<b>Well:</b>	#27-10	<b>North Reference:</b>	True
<b>Wellbore:</b>	OH	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Design:</b>	Design #2	<b>Database:</b>	EDM 5000.1 Single User Db

**Planned Survey**

MD (usft)	Inc (°)	Azi (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)	Northing (usft)	Easting (usft)
5,277.49	26.98	144.66	5,244.61	2,742.39	-169.62	120.27	207.93	3.00	6,987,766.74	2,254,188.22
5,300.00	26.98	144.66	5,264.66	2,722.34	-177.95	126.17	218.14	0.00	6,987,758.55	2,254,194.33
5,400.00	26.98	144.66	5,353.78	2,633.22	-214.97	152.42	263.52	0.00	6,987,722.19	2,254,221.47
5,500.00	26.98	144.66	5,442.89	2,544.11	-251.98	178.66	308.90	0.00	6,987,685.82	2,254,248.60
5,600.00	26.98	144.66	5,532.00	2,455.00	-289.00	204.91	354.27	0.00	6,987,649.45	2,254,275.74
5,700.00	26.98	144.66	5,621.11	2,365.89	-326.02	231.15	399.65	0.00	6,987,613.09	2,254,302.88
5,800.00	26.98	144.66	5,710.23	2,276.77	-363.03	257.40	445.02	0.00	6,987,576.72	2,254,330.01
5,900.00	26.98	144.66	5,799.34	2,187.66	-400.05	283.64	490.40	0.00	6,987,540.35	2,254,357.15
6,000.00	26.98	144.66	5,888.45	2,098.55	-437.06	309.89	535.77	0.00	6,987,503.99	2,254,384.29
6,100.00	26.98	144.66	5,977.56	2,009.44	-474.08	336.13	581.15	0.00	6,987,467.62	2,254,411.42
6,200.00	26.98	144.66	6,066.68	1,920.32	-511.09	362.38	626.52	0.00	6,987,431.25	2,254,438.56
6,300.00	26.98	144.66	6,155.79	1,831.21	-548.11	388.62	671.90	0.00	6,987,394.89	2,254,465.70
6,400.00	26.98	144.66	6,244.90	1,742.10	-585.12	414.87	717.27	0.00	6,987,358.52	2,254,492.83
6,500.00	26.98	144.66	6,334.01	1,652.99	-622.14	441.11	762.65	0.00	6,987,322.15	2,254,519.97
6,600.00	26.98	144.66	6,423.13	1,563.87	-659.15	467.36	808.03	0.00	6,987,285.79	2,254,547.11
6,700.00	26.98	144.66	6,512.24	1,474.76	-696.17	493.60	853.40	0.00	6,987,249.42	2,254,574.24
6,800.00	26.98	144.66	6,601.35	1,385.65	-733.19	519.84	898.78	0.00	6,987,213.05	2,254,601.38
6,900.00	26.98	144.66	6,690.47	1,296.53	-770.20	546.09	944.15	0.00	6,987,176.69	2,254,628.52
7,000.00	26.98	144.66	6,779.58	1,207.42	-807.22	572.33	989.53	0.00	6,987,140.32	2,254,655.66
7,100.00	26.98	144.66	6,868.69	1,118.31	-844.23	598.58	1,034.90	0.00	6,987,103.95	2,254,682.79
7,200.00	26.98	144.66	6,957.80	1,029.20	-881.25	624.82	1,080.28	0.00	6,987,067.59	2,254,709.93
7,300.00	26.98	144.66	7,046.92	940.08	-918.26	651.07	1,125.65	0.00	6,987,031.22	2,254,737.07
7,400.00	26.98	144.66	7,136.03	850.97	-955.28	677.31	1,171.03	0.00	6,986,994.85	2,254,764.20
7,500.00	26.98	144.66	7,225.14	761.86	-992.29	703.56	1,216.40	0.00	6,986,958.49	2,254,791.34
7,600.00	26.98	144.66	7,314.25	672.75	-1,029.31	729.80	1,261.78	0.00	6,986,922.12	2,254,818.48
7,700.00	26.98	144.66	7,403.37	583.63	-1,066.32	756.05	1,307.16	0.00	6,986,885.76	2,254,845.61
7,800.00	26.98	144.66	7,492.48	494.52	-1,103.34	782.29	1,352.53	0.00	6,986,849.39	2,254,872.75



**Pathfinder**  
Pathfinder X & Y Planning Report



<b>Company:</b>	Robert L. Bayless, Producer LLC	<b>Local Co-ordinate Reference:</b>	Well #27-10
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<b>Site:</b>	Main Canyon	<b>MD Reference:</b>	WELL @ 7987.00usft (18' KB Elevation)
<b>Well:</b>	#27-10	<b>North Reference:</b>	True
<b>Wellbore:</b>	OH	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Design:</b>	Design #2	<b>Database:</b>	EDM 5000.1 Single User Db

**Planned Survey**

MD (usft)	Inc (°)	Azi (°)	TVD (usft)	TVDSS (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)	Northing (usft)	Easting (usft)
7,900.00	26.98	144.66	7,581.59	405.41	-1,140.36	808.54	1,397.91	0.00	6,986,813.02	2,254,899.89
8,000.00	26.98	144.66	7,670.70	316.30	-1,177.37	834.78	1,443.28	0.00	6,986,776.66	2,254,927.02
8,100.00	26.98	144.66	7,759.82	227.18	-1,214.39	861.03	1,488.66	0.00	6,986,740.29	2,254,954.16
8,200.00	26.98	144.66	7,848.93	138.07	-1,251.40	887.27	1,534.03	0.00	6,986,703.92	2,254,981.30
8,247.65	26.98	144.66	7,891.39	95.61	-1,269.04	899.78	1,555.65	0.00	6,986,686.59	2,254,994.23
8,300.00	25.41	144.66	7,938.36	48.64	-1,287.89	913.15	1,578.77	3.00	6,986,668.07	2,255,008.05
8,400.00	22.41	144.66	8,029.77	-42.77	-1,320.96	936.59	1,619.30	3.00	6,986,635.59	2,255,032.29
8,500.00	19.41	144.66	8,123.17	-136.17	-1,350.07	957.23	1,654.99	3.00	6,986,606.98	2,255,053.64
8,600.00	16.41	144.66	8,218.31	-231.31	-1,375.16	975.02	1,685.75	3.00	6,986,582.33	2,255,072.03
8,700.00	13.41	144.66	8,314.93	-327.93	-1,396.16	989.91	1,711.48	3.00	6,986,561.70	2,255,087.42
8,800.00	10.41	144.66	8,412.76	-425.76	-1,413.00	1,001.85	1,732.12	3.00	6,986,545.16	2,255,099.77
8,900.00	7.41	144.66	8,511.54	-524.54	-1,425.64	1,010.81	1,747.62	3.00	6,986,532.74	2,255,109.03
9,000.00	4.41	144.66	8,611.00	-624.00	-1,434.04	1,016.77	1,757.92	3.00	6,986,524.49	2,255,115.19
9,100.00	1.41	144.66	8,710.86	-723.86	-1,438.19	1,019.71	1,763.01	3.00	6,986,520.41	2,255,118.23
9,147.14	0.00	0.00	8,758.00	-771.00	-1,438.66	1,020.04	1,763.59	3.00	6,986,519.94	2,255,118.58
9,200.00	0.00	0.00	8,810.86	-823.86	-1,438.66	1,020.04	1,763.59	0.00	6,986,519.94	2,255,118.58
9,300.00	0.00	0.00	8,910.86	-923.86	-1,438.66	1,020.04	1,763.59	0.00	6,986,519.94	2,255,118.58
9,400.00	0.00	0.00	9,010.86	-1,023.86	-1,438.66	1,020.04	1,763.59	0.00	6,986,519.94	2,255,118.58
9,500.00	0.00	0.00	9,110.86	-1,123.86	-1,438.66	1,020.04	1,763.59	0.00	6,986,519.94	2,255,118.58
9,600.00	0.00	0.00	9,210.86	-1,223.86	-1,438.66	1,020.04	1,763.59	0.00	6,986,519.94	2,255,118.58
9,700.00	0.00	0.00	9,310.86	-1,323.86	-1,438.66	1,020.04	1,763.59	0.00	6,986,519.94	2,255,118.58
9,800.00	0.00	0.00	9,410.86	-1,423.86	-1,438.66	1,020.04	1,763.59	0.00	6,986,519.94	2,255,118.58
9,900.00	0.00	0.00	9,510.86	-1,523.86	-1,438.66	1,020.04	1,763.59	0.00	6,986,519.94	2,255,118.58
9,989.14	0.00	0.00	9,600.00	-1,613.00	-1,438.66	1,020.04	1,763.59	0.00	6,986,519.94	2,255,118.58

**Pathfinder**  
Pathfinder X & Y Planning Report



<b>Company:</b>	Robert L. Bayless, Producer LLC	<b>Local Co-ordinate Reference:</b>	Well #27-10
<b>Project:</b>	Uintah County	<b>TVD Reference:</b>	WELL @ 7987.00usft (18' KB Elevation)
<b>Site:</b>	Main Canyon	<b>MD Reference:</b>	WELL @ 7987.00usft (18' KB Elevation)
<b>Well:</b>	#27-10	<b>North Reference:</b>	True
<b>Wellbore:</b>	OH	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Design:</b>	Design #2	<b>Database:</b>	EDM 5000.1 Single User Db

Formations						
Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)	
4,187.00	4,187.00	Castlegate		0.00		
9,926.14	9,537.00	Chinle		0.00		
9,682.14	9,293.00	Wingate		0.00		
4,369.00	4,369.00	Mancos		0.00		
3,889.00	3,889.00	Sego		0.00		
1,498.00	1,498.00	Wasatch		0.00		
8,239.35	7,884.00	Dakota- Cedar MTN		0.00		
9,147.14	8,758.00	Entrada		0.00		
8,474.31	8,099.00	Morrison		0.00		
2,182.00	2,182.00	Mesaverde		0.00		

Checked By: \_\_\_\_\_ Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**Robert L. Bayless, Producer LLC**

**MAIN CANYON #27-10**

SHL: 2300' FSL & 1650' FEL (NWSE)

BHL: 870' FSL & 630' FEL (SESE)

Section 27, T15S R23E

Uintah County, Utah

**State Lease: ML – 51594**

**SURFACE USE PLAN**

(Attachment to Form 3)

**WELL LOCATION AND INTRODUCTION**

The surface location of this proposed directional well is 2300' FSL & 1650' FEL (NWSE) Section 27, of T15S R23E. The well site was originally surveyed and staked by Tri-State Land Surveying Inc. for Robert L. Bayless, Producer LLC (Bayless) on May 30, 2008, at a site that was geologically, legally, and topographically acceptable.

The State of Utah Division Oil & Gas will be notified 24 hours prior to commencing construction of the drillsite, 24 hours notice prior to commencing drilling and completion operations and 24 hours prior to commencing reclamation work.

**DIRECTIONS TO LOCATION**

Proceed in a westerly direction from Vernal, UT along U.S Highway 40 approximately 14.0 miles to the junction of state Highway 88. Exit left and proceed in a southerly direction approximately 17.0 miles to Ouray, Utah. Proceed in southerly direction approximately 51.3 miles on the Seep Ridge road and turn right. Go 0.4 miles to the beginning of the proposed access to the southwest and turn left. Follow new access road 0.05 miles to the proposed location.

**1) EXISTING ROADS**

- A) This proposed well is a development/confirmation well. Existing and planned access roads are shown on the topographic map of the area (Topographic map B).
- B) Existing roads within 1.0 mile consist of an existing dirt and gravel resource road, to within 0.05 miles, which will provide access to the proposed location.
- C) There are no plans for improvement of existing roads, they will be left in their current condition. Road maintenance will only be performed to keep existing roads in their current condition.

**2) PLANNED ACCESS ROADS**

- ± 280 feet (0.05miles) total new construction, Section 27, State of Utah. (Exhibit 4B-Topographic map B)

*This application for Permit to Drill will serve as a request for the State of Utah to initiate a Right-of-Way (ROW) application for access roads, pipelines and water haul routes, if necessary. This ROW can continue up to the wellhead. The width of ROW requested is 30 feet for construction of road and pipeline..*



- A) Subgrade (running surface) width will be approximately 18 feet, with total disturbed width being a maximum of 30 feet.
- B) Borrow ditches will be backsloped 3:1 or shallower.
- C) Maximum grades will be 6% for 500 feet.
- D) No major road cuts are necessary.
- E) Surfacing material will consist of native material from the road crown. The topsoil will be windrowed during construction and placed in the borrow ditch backslope upon road completion. During reclamation, the backslope of the borrow ditch will be revegetated per Section 10-C of this Surface Use Plan.

3) LOCATION OF EXISTING WELLS AND PRODUCING FACILITIES

The topographic map (Exhibit 4C) shows all existing drilling, abandoned, disposal, injection, shut-in and producing wells, production facilities and pipelines within a 1 mile radius of the proposed location.

4) NEW PRODUCTION FACILITIES PROPOSED

- A) Dimension of Proposed Facility is approximately 400 ft x 200 ft. Pad size will be reduced to minimum size necessary to conduct safe operations.
- B) Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area, back sloping and contouring all cut and fill slopes. These areas will be re-seeded.
- C) Site preparation for production will be done with standard excavation equipment using native materials. Additional surface material will be obtained from commercial sources or an approved borrow area.
- D) Production facilities may vary according to actual reservoir discovered and will be engineered upon completion of well tests. If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement will conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Orders No. 4 & 5.
- E) No facilities will be constructed off location.
- F) Production equipment will be painted light reflective colors to limit evaporation and waste of liquid hydrocarbons. All above ground permanent structures including production equipment will be painted to blend with the surrounding landscape.
- G) Any necessary pits will be fenced on all sides to prevent any wildlife and livestock entry and any production pit will be netted "bird-tight." Pursuant to On-Shore Order No. 7, this is a request for authorization for lined pit disposal of water produced from this well for a period of 90 days from the date of initial production.
- H) The gas gathering line for natural gas production from this well will be 4" OD steel pipe. The length of this line will be 2,420 ft from proposed location to the existing gas sales line that is owned and operated by Questar Pipeline. This gathering line is shown in Exhibit 9.

5) LOCATION OF WATER SUPPLY

This Application for Permit to Drill will serve as a request for the State of Utah to initiate a Right-of-Way (ROW) application for access roads and water haul routes, if necessary. The water will be transported by truck. R.N Industries has water rights approval for this location and will haul water for Bayless. Water right Number 43-8496, Application # A53617. A copy of this application has been attached.

6) SOURCE OF CONSTRUCTION MATERIALS

- A) Construction materials will consist of native materials from borrow ditches and location areas.
- B) Surfacing materials will be obtained from available permitted sources, if needed, and consist of pit gravel.
- C) The use of materials will conform to 43 CFR 3610.2-3.

7) WASTE DISPOSAL

- A) Drill cuttings will be buried in the reserve pit when dry.
- B) Drilling fluid will be evaporated and then buried in the reserve pit when dry.
- C) Produced fluids other than water will be contained in storage tanks during completion and testing.
- D) Sewage disposal facilities will be in accordance with State and Local Regulations. Sewage will not be buried on location.
- E) Trash, garbage and other non-flammable waste will be contained in a portable trash cage which will be totally enclosed with small mesh wire. The cage and contents will be transported to and dumped at an approved Sanitary Landfill as necessary or upon completion of operations. Flammable waste will be disposed of by hauling to an appropriate disposal site.
- F) The reserve pit will be fenced "stock tight" on three sides during drilling operations and on the fourth side at time of rig release. The pit will remain fenced until backfilled.
- G) Upon release of the drilling rig, the rathole and mousehole will be filled. Any debris and excess equipment will be removed from the location.

Hazardous Material Statement: No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing or completion of the well.

8) ANCILLARY FACILITIES

No ancillary facilities will be necessary.

9) WELLSITE LAYOUT

- A) A drill pad layout and cut/fill diagrams are attached as Exhibits 5 and 5A. Exhibit 6 shows the drilling rig layout on this drill pad. The pad has been staked at its maximum size of 400 ft x 200 ft, however it may be constructed smaller if possible, depending upon rig availability.
- B) All surface disturbing activities will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- C) Topsoil (to a depth of 6 inches or maximum available) will be removed and stockpiled in a windrow on the uphill side of location in such a way as to prevent contamination and soil loss for reclamation.
- D) The reserve pit will be lined with a plastic lining 24 mil or thicker and a felt liner. The reserve pit liner will be sufficiently reinforced to withstand normal wear and tear associated with the installation and pit use and will be chemically compatible with all substances that will be put into the pit.

10) SURFACE RESTORATION

- A) Backfilling, leveling and contouring of the reserve pit is planned as soon as the pit has dried. At least 5 feet of overburden will cover the reserve pit as part of the reclamation process.
- B) Site reclamation for a producing well will be accomplished for portions of the location and road area not required for the continued operation of the well.
- C) The stockpiled topsoil material will be evenly distributed over the disturbed area for surface restoration. The site will be revegetated using a certified seed mix as prescribed by the State of Utah or BLM. Seed tags will be submitted to the Area Manager within 30 days of seeding. Revegetation is generally scheduled for the fall planting season, September 15<sup>th</sup> through the first frost, unless instructed otherwise. If necessary, a State of Utah or BLM certified weed applicator will be used for weed control.

11) GENERAL INFORMATION

- A) An archaeological, cultural and historical survey of the area was performed and has been submitted separately by Grand River Institute, Grand Junction, Colorado. A paleontology report was performed and has been submitted separately by A. H. Hamblin Paleontological Consulting, Cedar City, Utah.

B) Surface Owner

Drillsite -	State of Utah -SITLA 675 East 500South, Suite500 Salt Lake City, UT 84102 801-538-5100 801-355-0922 fax
-------------	---

Access - New	State of Utah -SITLA 675 East 500South, Suite500 Salt Lake City, UT 84102 801-538-5100 801-355-0922 fax
--------------	---



12) LESSEE'S OR OPERATOR'S REPRESENTATIVE

Robert L. Bayless, Producer LLC  
P.O. Box 168  
Farmington, NM 87499

Kevin H. McCord – Operational Manager  
Phone: (505) 326-2659  
Fax: (505) 326-6911

Habib Guerrero – Operations Engineer  
Phone: (505) 326-2659  
Fax: (505) 326-6911

13) CERTIFICATION:

I hereby certify that Robert L. Bayless, Producer LLC is responsible under the terms and conditions of the lease to conduct lease operations in conjunction with the application. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Robert L. Bayless, Producer LLC under their nationwide surety bond, State of Utah #141769447.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Robert L. Bayless, Producer LLC and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

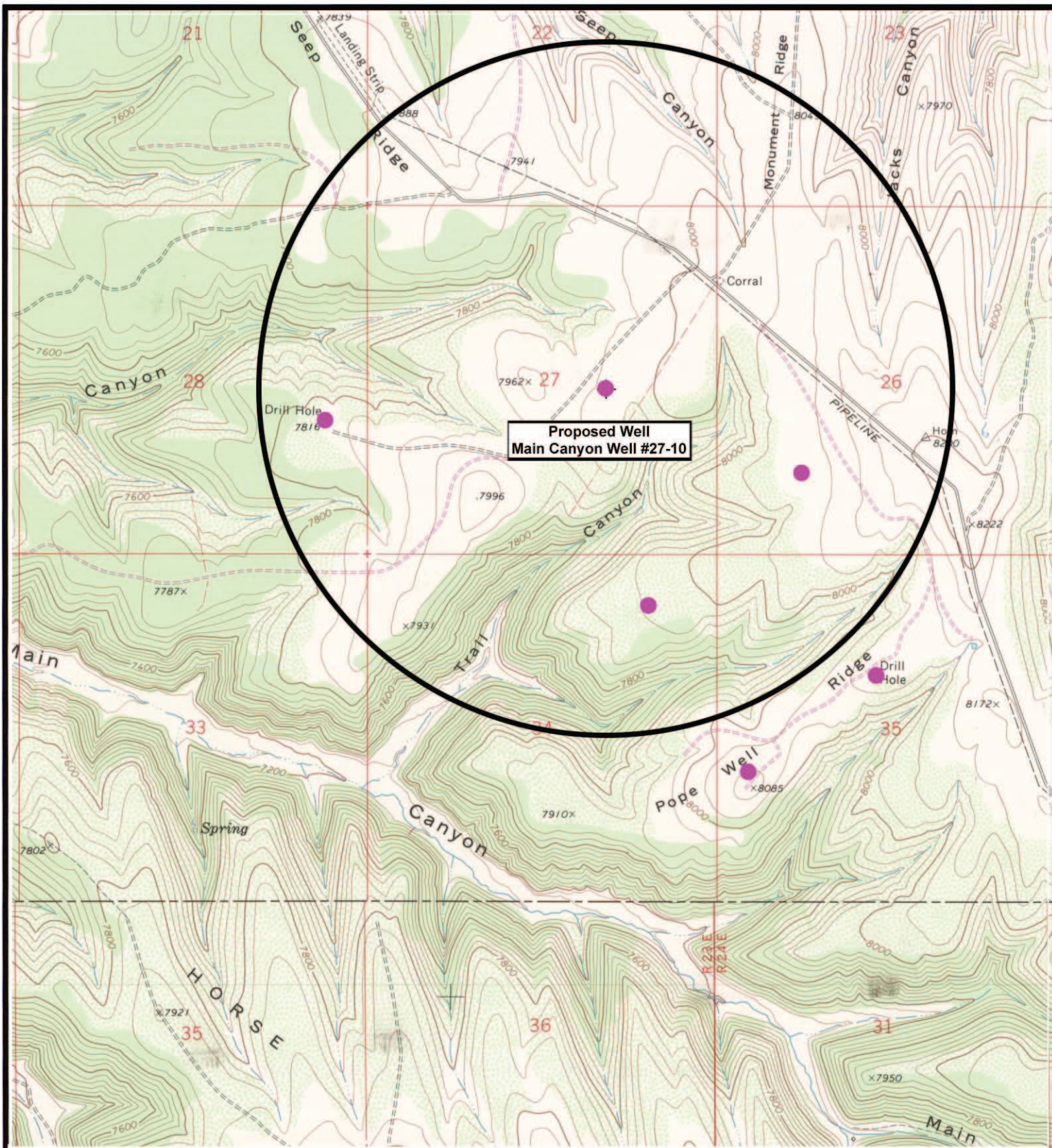
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Habib Guerrero  
Operations Engineer  
Robert L. Bayless, Producer LLC  
hguerrero@rlbayless.com

---

Date





**Robert L. Bayless  
Producer**

**Main Canyon Well #27-10 (Proposed Well)**  
Pad Location NWSE SEC. 27, T15S, R23E, S.L.B.&M.



**Tri-State  
Land Surveying Inc.**  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

**SCALE: 1" = 2000'**  
**DRAWN BY: JAS**  
**DATE: 06-06-2008**

**Legend**

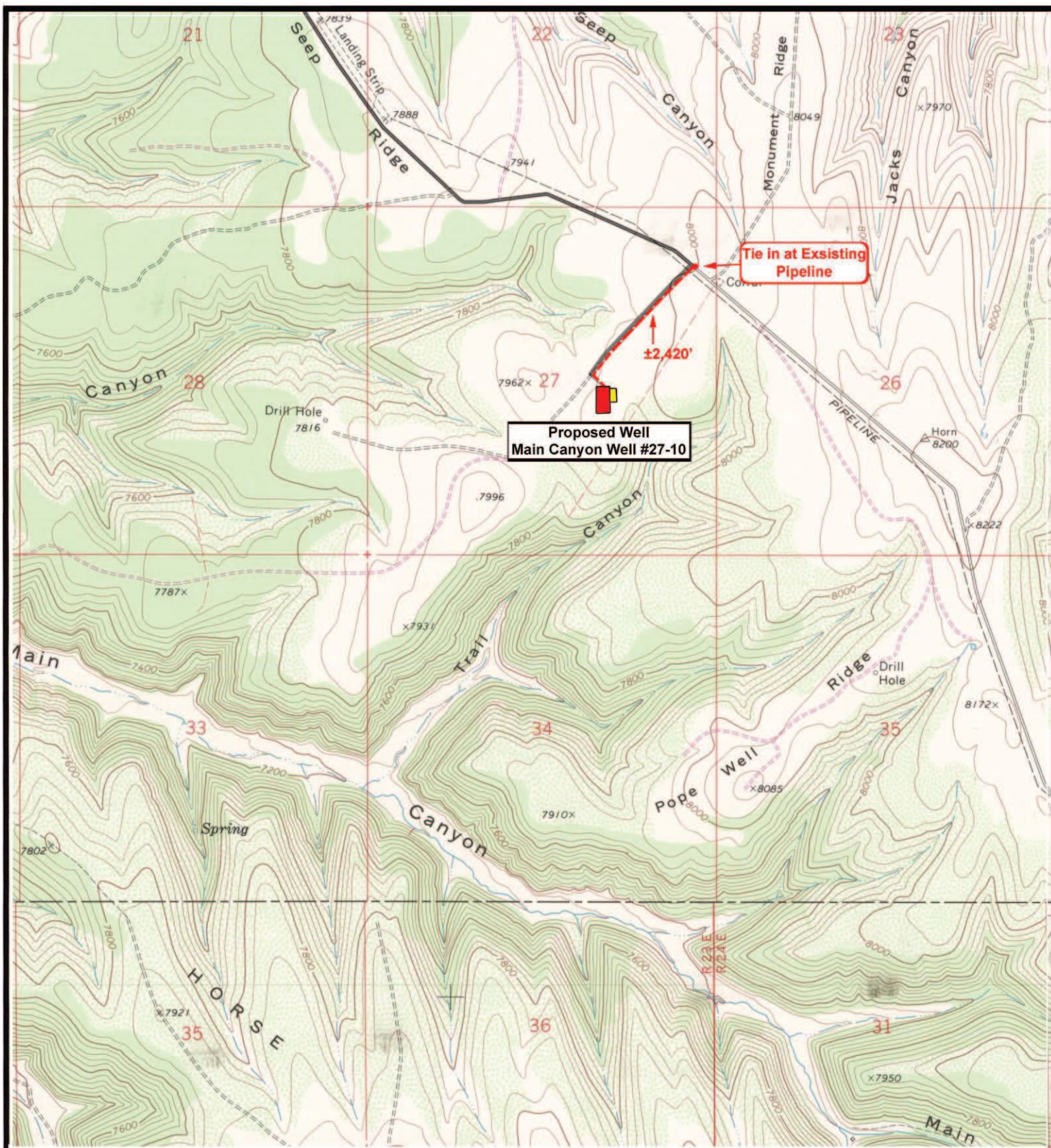
- Location
- One-Mile Radius

**Exhibit "B"**



**RECEIVED: June 28, 2011**





**Robert L. Bayless  
Producer**

**Main Canyon Well #27-10 (Proposed Well)**  
Pad Location NWSE SEC. 27, T15S, R23E, S.L.B.&M.



**Tri-State  
Land Surveying Inc.**  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

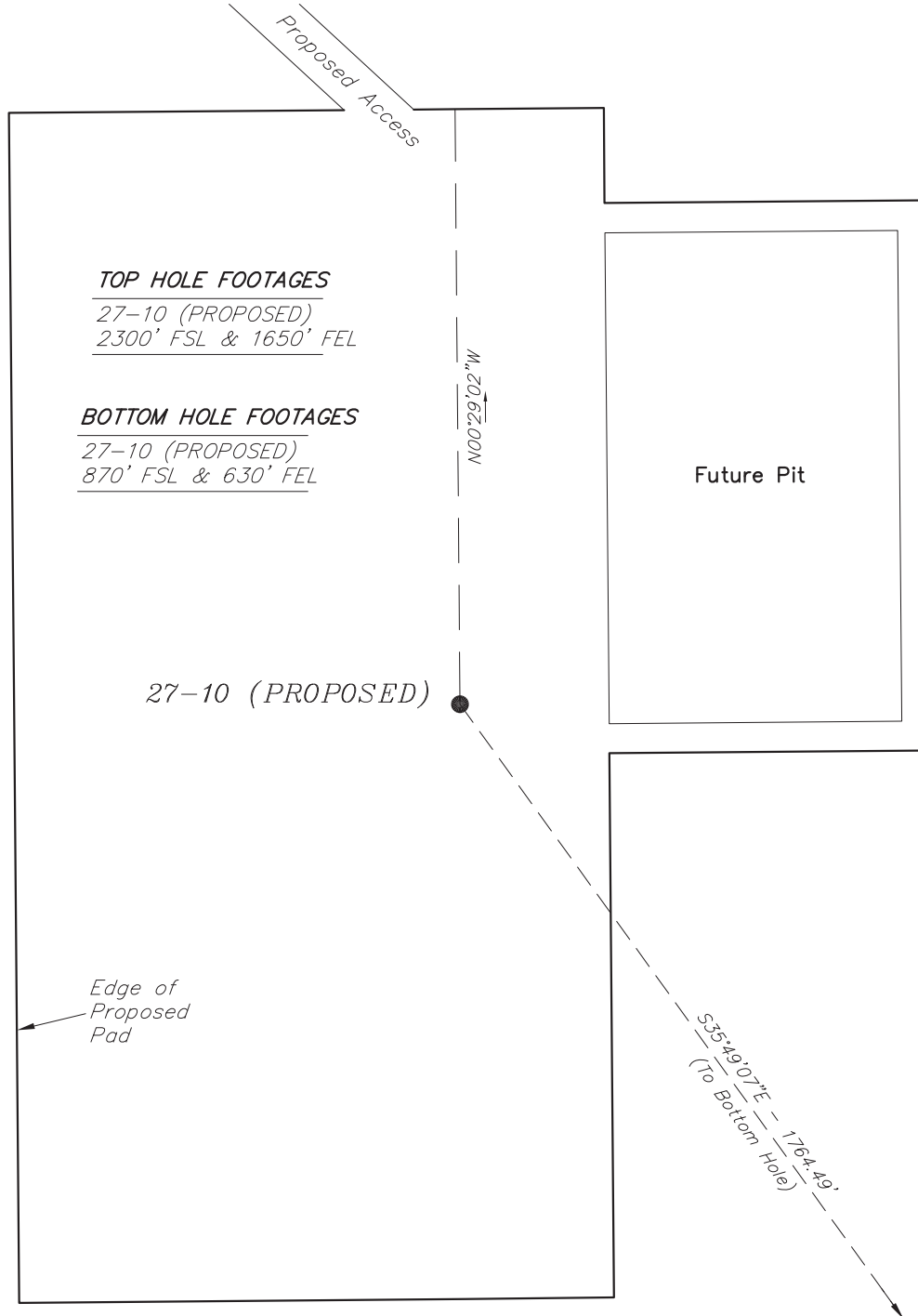
SCALE: 1" = 2000'  
DRAWN BY: JAS  
DATE: 06-06-2008

**Legend**  
— Roads  
- - - Proposed Gas Line

TOPOGRAPHIC MAP

**"C"**



***ROBERT L. BAYLESS PRODUCER******WELL PAD INTERFERENCE PLAT******MAIN CANYON #27-10 (Proposed Well)****Pad Location: NWSE Section 27, T15S, R23E, S.L.B.&M.*
***RELATIVE COORDINATES***  
*From top hole to bottom hole*

WELL	NORTH	EAST
27-10-15-23	-1,431'	1033'

**Note:**
 Bearings are  
 based on GLO  
 Information.

***LATITUDE & LONGITUDE***  
*Surface position of Wells (NAD 83)*

WELL	LATITUDE	LONGITUDE
27-10	39° 28' 59.39"	109° 19' 32.11"

SURVEYED BY: C.D.S.	DATE SURVEYED: 05-30-08
DRAWN BY: F.T.M.	DATE DRAWN: 06-24-08
SCALE: 1" = 60'	REVISED: 01-24-11 PAUL

**Tri State**  
*Land Surveying, Inc.*  
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078  
 (435) 781-2501

**RECEIVED: June 28, 2011**

Search

### Select Related Information

WATER RIGHT: 43-8496

APPLICATION/CLAIM NO.: A53617

CERT. NO.:

RUN DATE: 12/13/2010

NAME: A-1 Tank Rental and Brine Service  
ADDR: P.O. Box 1167  
Vernal UT 84078

INTEREST: 100% REMARKS:

LAND OWNED BY APPLICANT? Yes  
FILED: 08/17/1979 PRIORITY: 08/17/1979 COUNTY TAX ID#:

AND OWNED BY APPLICANT? Yes  
 FILED: 08/17/1979 | PRIORITY: 06/17/1979 | COUNTY TAX ID#:   
 ProtestEnd: [PROTESTED: [No ] | HEARING HLD: [PUB ENDED:   
 EXTENSION: [ELEC/PROOF: [Election] | ELEC/PROOF: 06/28/1982 | SE ACTION: [ ] | NEWSPAPER:   
 RUSH LETTR: [RENOVATE: 08/12/2002 | RECON REQ: [CERT/WUC: [ ] | ActionDate: 02/01/1980 | PROOF DUE:   
 PD BOOK: [43- [MAP: [284a ] | PUB DATE: [ ] | TYPE: [ ] | LAP, ETC: [ ] | LAPS LETTER:   
 \*TYPE -- DOCUMENT -- STATUS -----

=====

FILE #	DOCUMENT #	STATUS	PUB DATE:	FILE:	FILE:	FILE:	LAPS LETTER:
Type of Right: Application to Appropriate Source of Info: Water User's Claim							
LOCATION OF WATER RIGHT*** (Points of Diversion: Click on Map) Status: Water User's Claim							

=====

\*\*\*\*\*MAP VIEWER\*\*\*\*\*

POINT OF DIVERSION -- UNDERGROUND: (Click Well ID# link for more well data.)  
 111 N 220 ft E 405 ft from S4 cor, Sec 32, T 4S, R 3E, USBM  
 DIAMETER OF WELL: ins. DEPTH: to ft. YEAR DRILLED:  
 Comment: old POD N200 E400 S4 Sec 32, T4S, R3E, USBM WELL LOG? No WELL ID#: 25774  
 USES OF WATER RIGHT\*\*\*\*\* ELU -- Equivalent Livestock Unit (cow, horse, etc.) \*\*\*\*\* EDU -- Equivalent Domestic Unit or 1 Family  
 SUPPLEMENTAL GROUP NO.: 218978.

SUPPLEMENTAL GROUP NO.: 218978. \*\*\*\*\* EDU -- Equivalent Domestic Unit or 1 Family

INDUSTRIAL: Fluid for drilling oil & gas wells  
Acre Feet Contributed by this Right for this Use: 10.8597  
###PLACE OF USE: \*-----NORTH WEST QUARTER PERIOD OF USE: 01/01 TO 12/31

###PLACE OF USE: \*-----NORTH WEST QUARTER PERIOD OF USE: 01/01 TO 12/31

\* NW | NE | SW | SE \* NW | NE | SW | SE \*  
Sec 32 T 4S R 3E USM \* NORTH WEST QUARTER-----NORTH EAST QUARTER-----

\*\*\*\*\*

\*\*\*\*\*

\*\*\*\*\*END OF DATA\*\*\*\*\*

\*\*\*\*\*

Utah Division of Water Rights | 1594 West North Temple Suite 220, P.O. Box 146300, Salt Lake City, Utah 84114-6300 | 801-538-7240  
[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#) | [Emergency Evacuation Plan](#)





**TEMPORARY APPLICATION  
TO APPROPRIATE WATER**Rec. by Q 48113Fee Amt. \$ 150.00Receipt # 11-01407**STATE OF UTAH**

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3, Utah Code Annotated 1953, as amended.

WATER RIGHT NUMBER: 49-2336  
(002804JRICENS)

TEMPORARY APPLICATION NUMBER: T 78808

\*\*\*\*\*

**1. OWNERSHIP INFORMATION:**

LAND OWNED? No

A. NAME: R.N. Industries  
ADDRESS: P. O. Box 98  
Roosevelt, UT 84066

**B. PRIORITY DATE:**

FILING DATE:

**2. SOURCE INFORMATION:**

A. QUANTITY OF WATER: 20.0 acre-feet

B. SOURCE: Green River

COUNTY: Uintah

**C. POINTS OF DIVERSION -- SURFACE:**

- (1) N 4,820 feet W 1,200 feet from S $\frac{1}{4}$  corner, Section 33, T 8S, R 20E, SLBM  
DIVERT WORKS: Pump to trucks and/or pump to a pipeline  
SOURCE: Green River
- (2) N 4,850 feet W 700 feet from S $\frac{1}{4}$  corner, Section 33, T 8S, R 20E, SLBM  
DIVERT WORKS: Pump to trucks and/or pump to a pipeline  
SOURCE: Green River

D. COMMON DESCRIPTION: Ouray

**3. WATER USE INFORMATION:**

OTHER: from May 19 to May 20. OIL EXPLORATION: Drilling and completion of oil/gas wells  
in South Book Cliffs, Dust Control

The Acre Foot SOLE SUPPLY contributed by 00-2804 for OIL EXPLORATION use in this group is 20.0.  
May 19, 2010 to May 20, 2011.

PLACE OF USE: (which includes all or part of the following legal subdivisions:)

		----- Northwest Quarter -----*				----- Northeast Quarter -----*				----- Southwest Quarter -----*				----- Southeast Quarter -----*				Section
BS	TOWN	RANG	SC	NW	NE	SW	SE	*	NW	NE	SW	SE	*	NW	NE	SW	SE	Totals
SL	8S	20E		Entire TOWNSHIP														0.0000
SL	8S	21E		Entire TOWNSHIP														0.0000
SL	8S	22E		Entire TOWNSHIP														0.0000
SL	8S	23E		Entire TOWNSHIP														0.0000
SL	8S	24E		Entire TOWNSHIP														0.0000

**RECEIVED****APR 07 2011****WATER RIGHTS  
VERNAL**

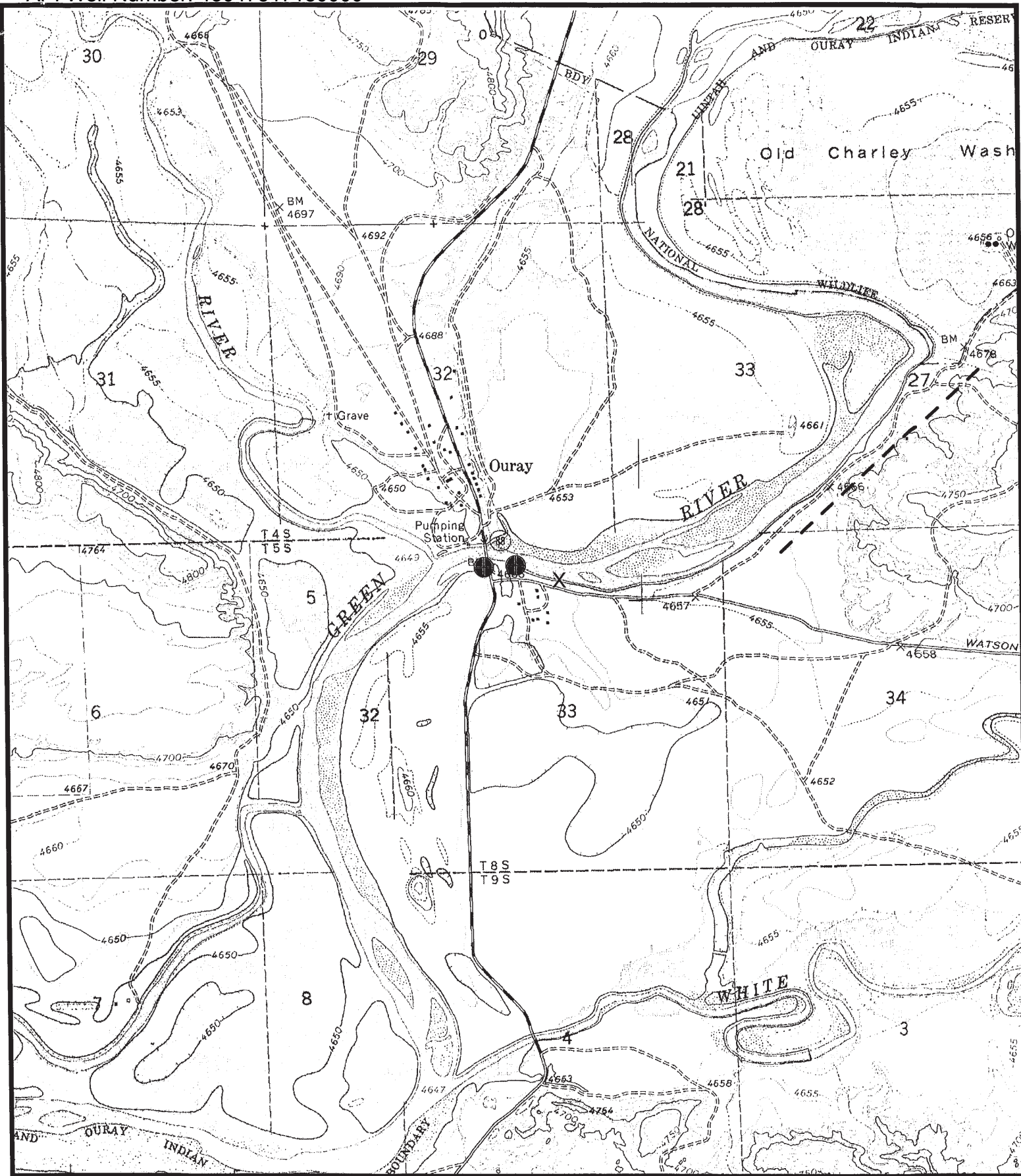
Continued on next page.

## 5. SIGNATURE OF APPLICANT(S):

The applicant(s) hereby acknowledge(s) that he/she/they are citizen(s) of the United States of America or intend(s) to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of information contained herein, at the time of filing, rests with the applicant(s).

  
R.N. Industries

RECEIVED  
APR 07 2011  
WATER RIGHTS  
VERNAL



0 2000 Feet



Point of Diversion: ●

R.N. Industries

## PALEONTOLOGY EVALUATION SHEET

---

**PROJECT:** Robert L. Bayless, Production - Main Canyon Well #27-10.

**LOCATION:** Approximately 52 miles south southeast of Ouray, Utah, NW SE Section 27, T 15 S, R 23 E, Uintah County, Utah

**OWNERSHIP:** PRIV[ ☐ ] STATE[ ☒ ] BLM[ ☐ ] USFS[ ☐ ] NPS[ ☐ ] IND[ ☐ ] MIL[ ☐ ] OTHER[ ☐ ]

**DATE:** June 25, 2008

**GEOLOGY/TOPOGRAPHY:** According to the Geologic Map of the Westwater 30'x60' Quadrangle, Grand and Uintah Counties, Utah, Garfield, and Mesa Counties, Colorado, by J.L. Gualtieri, the Douglas Creek Member of the Green River Formation is present in this area. On the ground however, there are very few actual formation exposures. The surface is covered sand and eroded rock fragments, more rocks to the southeast. The existing road (and pipeline route) has some Green River exposures including a thin shale. Much vegetation including sagebrush and other shrubs.

**PALEONTOLOGY SURVEY:** YES [ ☐ ] NO Survey [ ☐ ] PARTIAL Survey [ ☒ ]

Followed road to the location and pipeline to the location. Checked what rocks could be seen on the surface and amongst the vegetation. Checked shale exposures along the road.

**SURVEY RESULTS:** Invertebrate [ ☒ ] Plant [ ☐ ] Vertebrate [ ☐ ] Trace [ ☐ ] No Fossils Found [ ☐ ]

Found several insect larvae including, bot fly larvae (*Lithophypoderma*), in the shale along the existing road, near the pipeline route. This fossil locality iss recorded as locality 42Un2516I.

**PALEONTOLOGY SENSITIVITY:** HIGH [ ☐ ] MEDIUM [ ☐ ] LOW [ ☒ ] (PROJECT SPECIFIC)

**MITGATION RECOMMENDATIONS:** NONE [ ☒ ] OTHER [ ☐ ] (SEE BELOW)

No recommendations are being made. The insect fossils are common and well known. Excavation and construction work could possible expose additional insect fossils

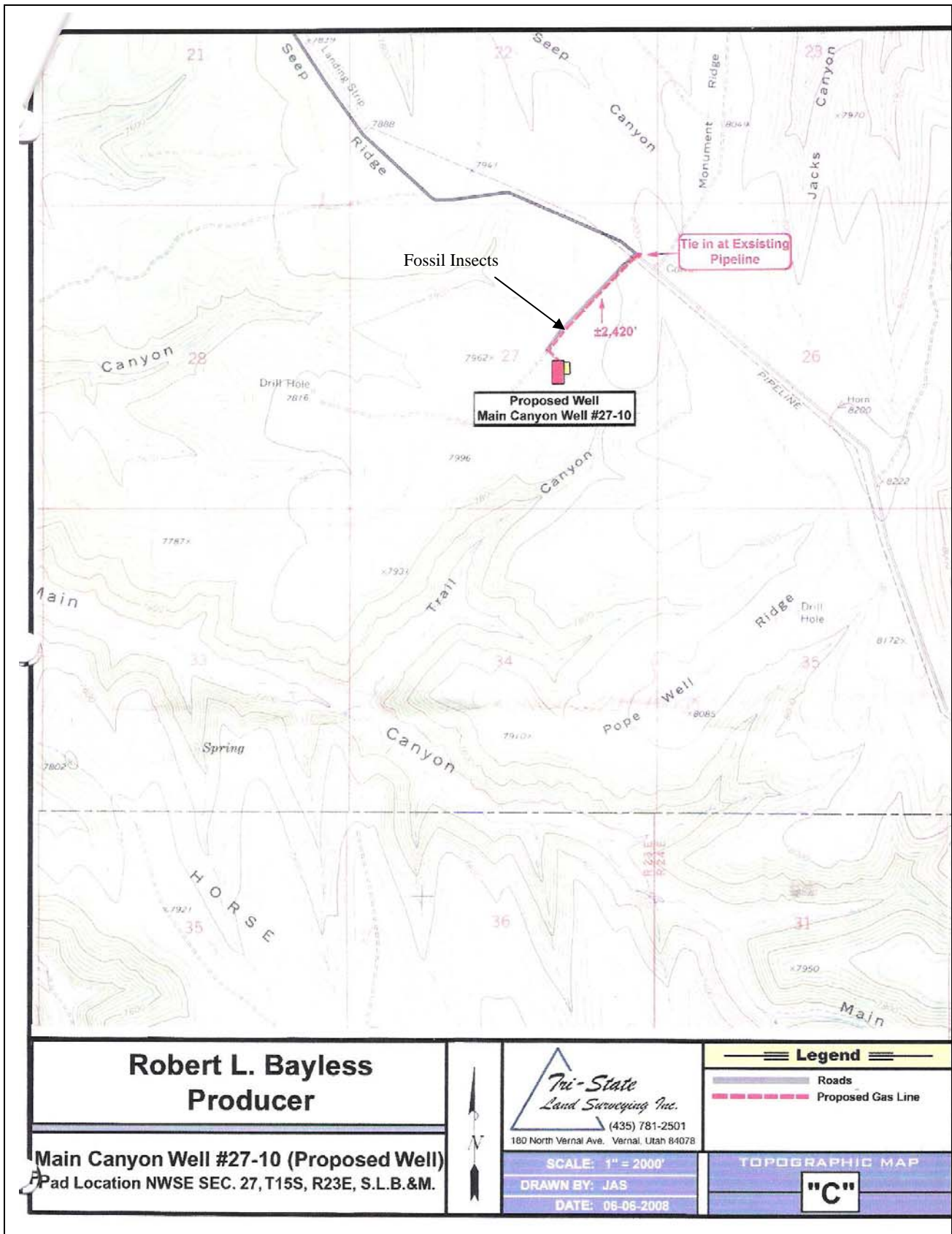
There is always a potential for encountering significant fossils when working in the Green River Formation. If significant vertebrate fossils (mammals, reptiles, well preserved fish, etc.) are encountered during construction, work should stop in that area and a paleontologist contacted to evaluate the material discovered.

**EVALUATION BY PALEONTOLOGIST:** Alden H. Hamblin

A.H. Hamblin Paleontological Consulting, 3793 N. Minersville Highway, Cedar City, Utah 84720 (435) 867-8355  
Utah State Paleontological Permit # 07-355, BLM paleontological Resources Permit # UT08-003C.  
Utah Professional Geologist License – 5223011-2250.

**RECEIVED: June 28, 2011**

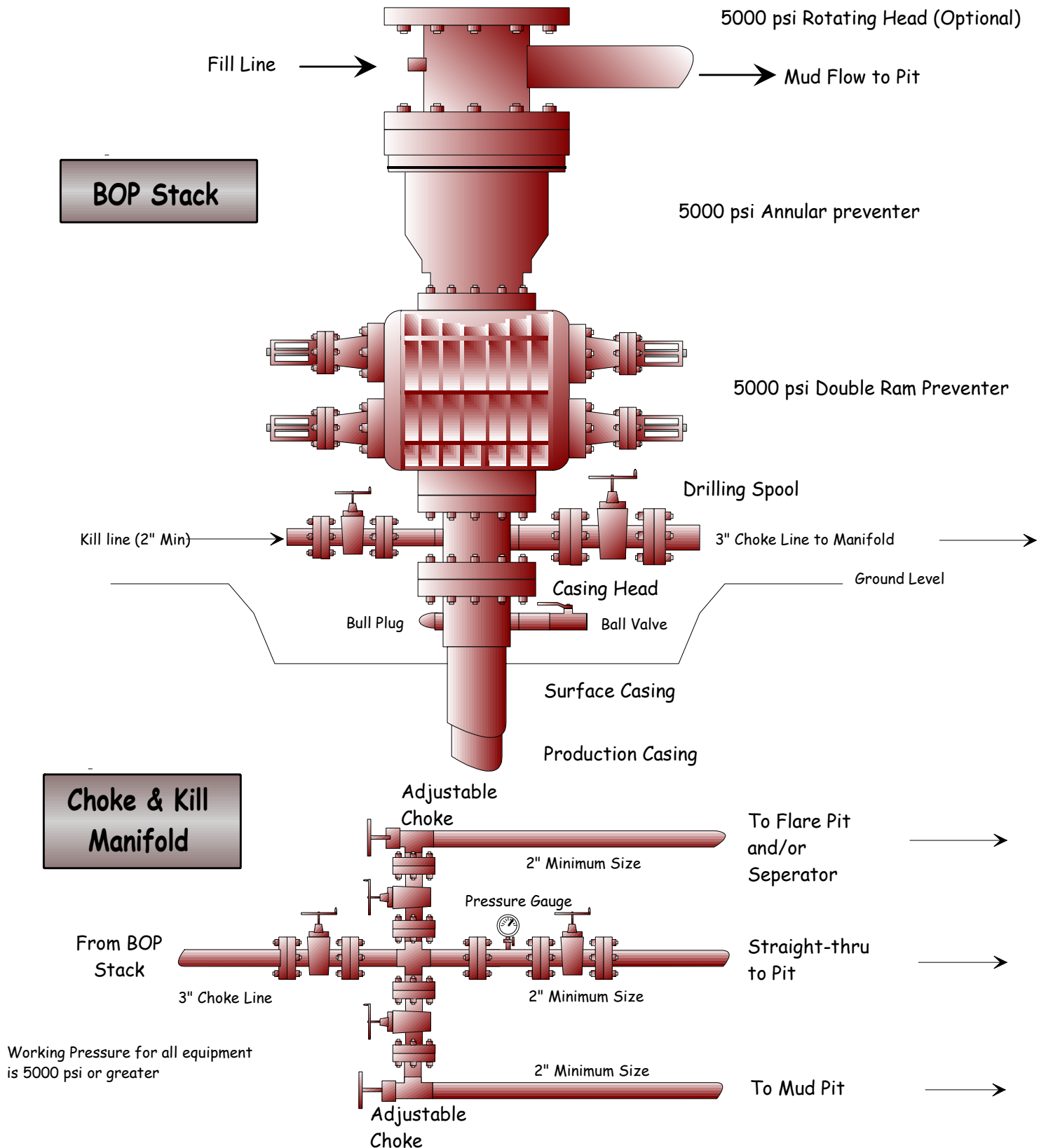




# Robert L. Bayless, Producer LLC

## 5M BOPE and Choke Manifold for 5000 psi Service

### MAIN CANYON 27-10



**Robert L. Bayless, Producer LLC**

Oil & Gas Producer

P. O. Box 168  
Farmington, New Mexico 87499

FAX NO.  
(505) 326-6911

OFFICE NO.  
(505) 326-2659

June 24, 2011

**State of Utah**  
**Division of Oil, Gas and Mining**  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

RE: **Directional Drilling R649-3-11**  
Robert L. Bayless, Producer LLC  
Main Canyon #27-10  
Surface Loc: 2300' FSL & 1650' FEL, Sec 27, T15S R23E (NWSE)  
Bottomhole Loc: 870' FSL & 630' FEL, Sec 27, T15S R23E (SESE)  
Uintah County, Utah

Pursuant to the filling of Robert L. Bayless Producer LLC Application for Permit to Drill, we would like to request approval to directional drill the above referenced well in accordance with the Oil & Gas Conservation Rule R649-3-11. Due to geological structure, it is critical that the bottomhole location for this well be located in this exact position. Robert L. Bayless Producer LLC is permitting this well as a directional well in order to minimize surface disturbance. By locating the well at this surface location and directionally drilling from this location Robert L. Bayless Producer LLC will be able to utilize the existing road and pipelines in the area. Robert L. Bayless Producer LLC hereby certifies that it is the sole working interest owner within 460 feet of the entire directional wellbore and the adjacent sections to the referenced well, as shown in the attached lease map.

I appreciate your attention to this matter. Please let me know if you require anything further

Very Truly Yours,

ROBERT L. BAYLESS, PRODUCER LLC  
Habib Guerrero  
Operations Engineer  
hguerrero@rlbayless.com

**RECEIVED: June 28, 2011**

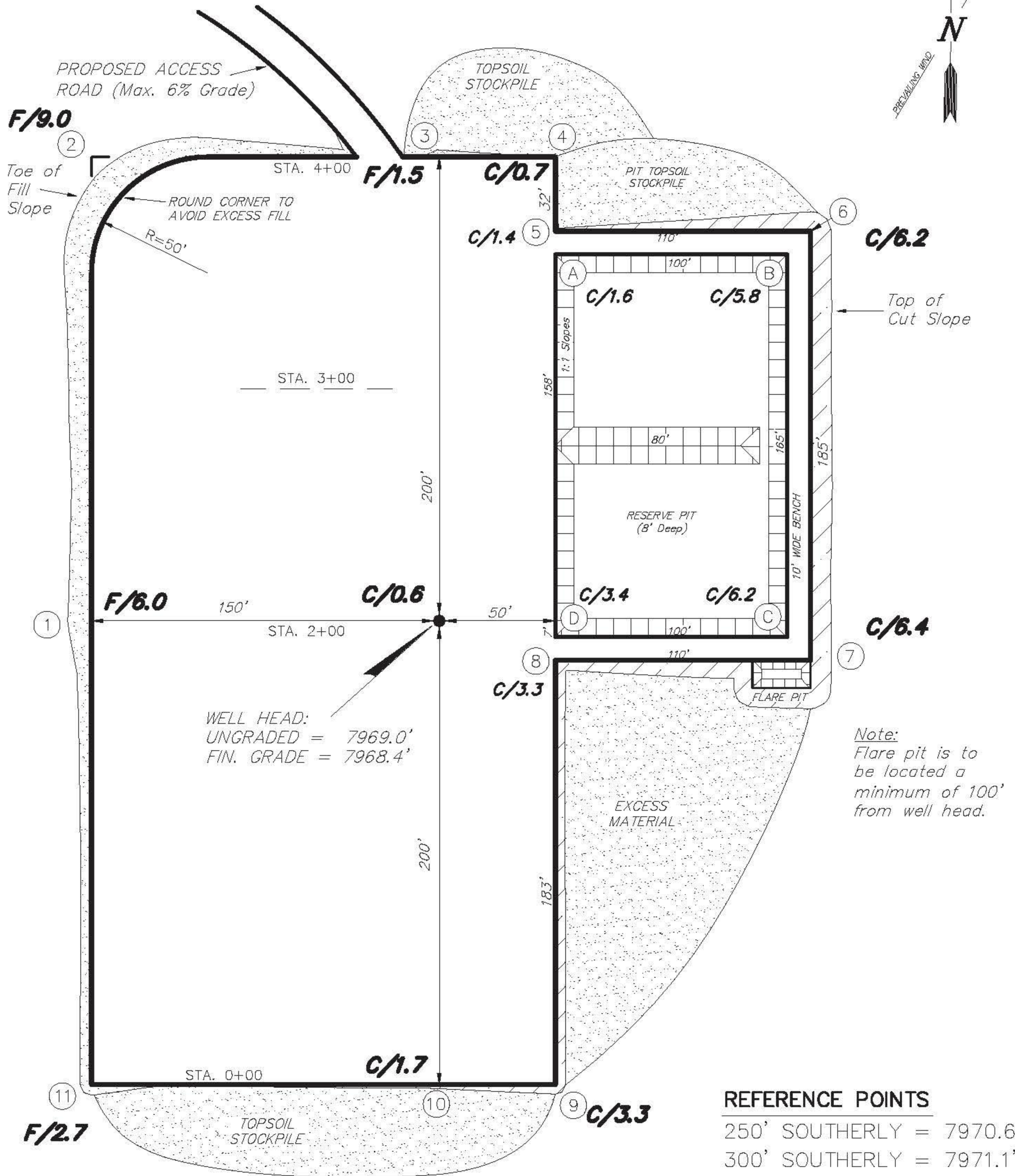
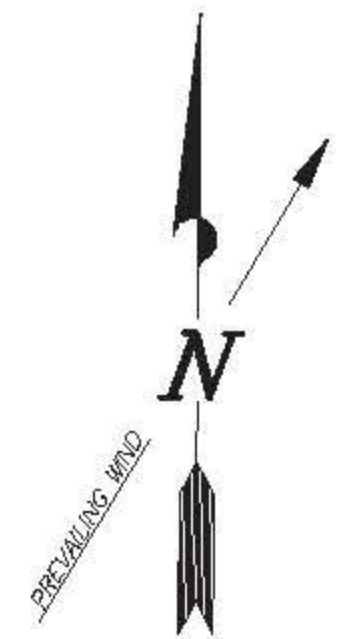


API Well Number:

# ROBERT L. BAYLESS PRODUCER

## MAIN CANYON #27-10

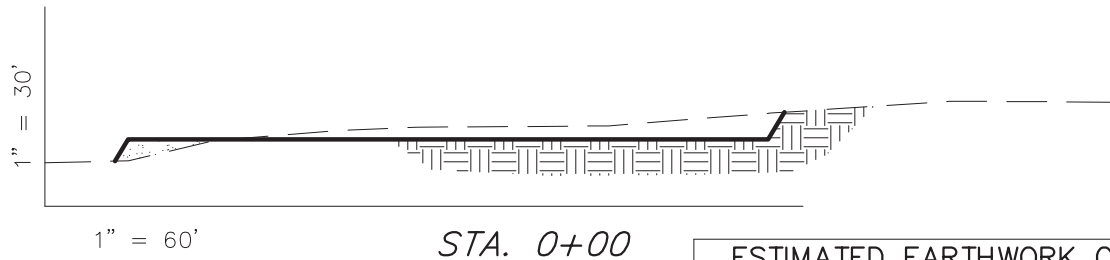
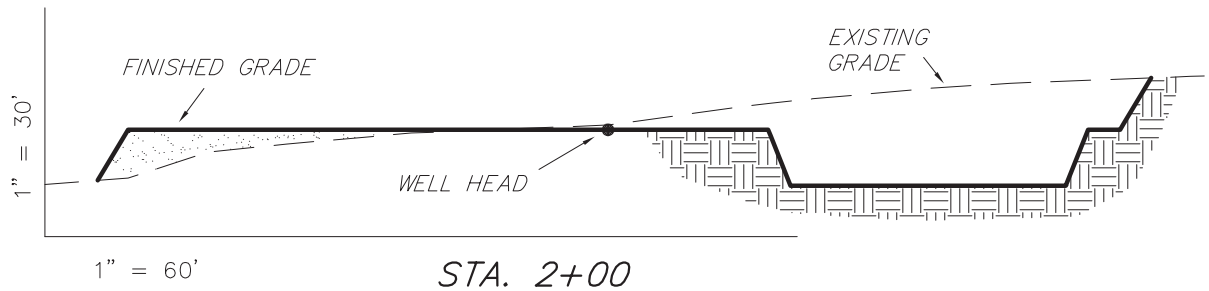
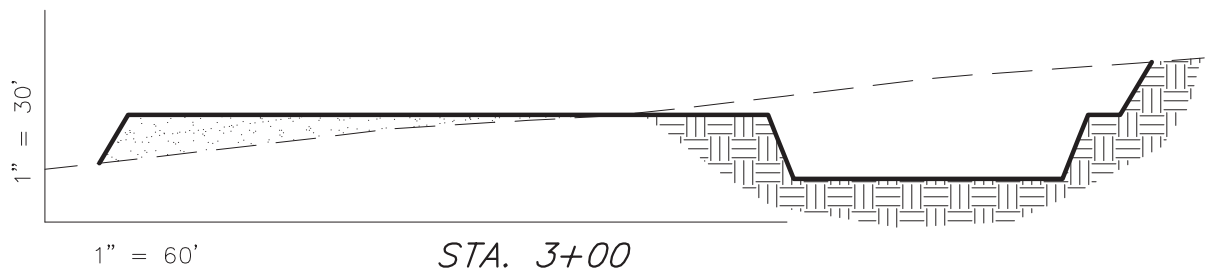
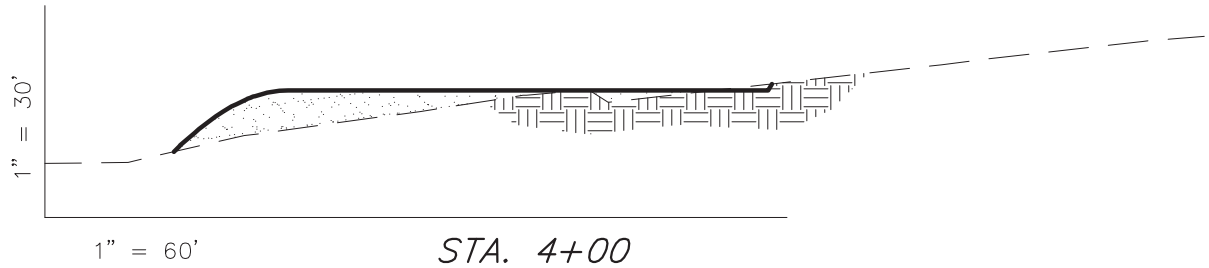
Section 27, T15S, R23E, S.L.B.&M.



SURVEYED BY: C.D.S.	DATE SURVEYED: 05-30-08
DRAWN BY: F.T.M.	DATE DRAWN: 06-02-08
SCALE: 1" = 60'	REVISED:

**Tri State**  
 Land Surveying, Inc.  
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078  
 (435) 781-2501



*ROBERT L. BAYLESS PRODUCER**CROSS SECTIONS  
MAIN CANYON #27-10*

NOTE:  
UNLESS OTHERWISE  
NOTED ALL CUT/FILL  
SLOPES ARE AT 1.5:1

**ESTIMATED EARTHWORK QUANTITIES**  
(No Shrink or swell adjustments have been used)  
(Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	4,700	4,700	Topsoil is not included in Pad Cut	0
PIT	4,100	0		4,100
TOTALS	8,800	4,700	2,010	4,100

SURVEYED BY: C.D.S.

DATE SURVEYED: 05-30-08

DRAWN BY: F.T.M.

DATE DRAWN: 06-02-08

SCALE: 1" = 60'

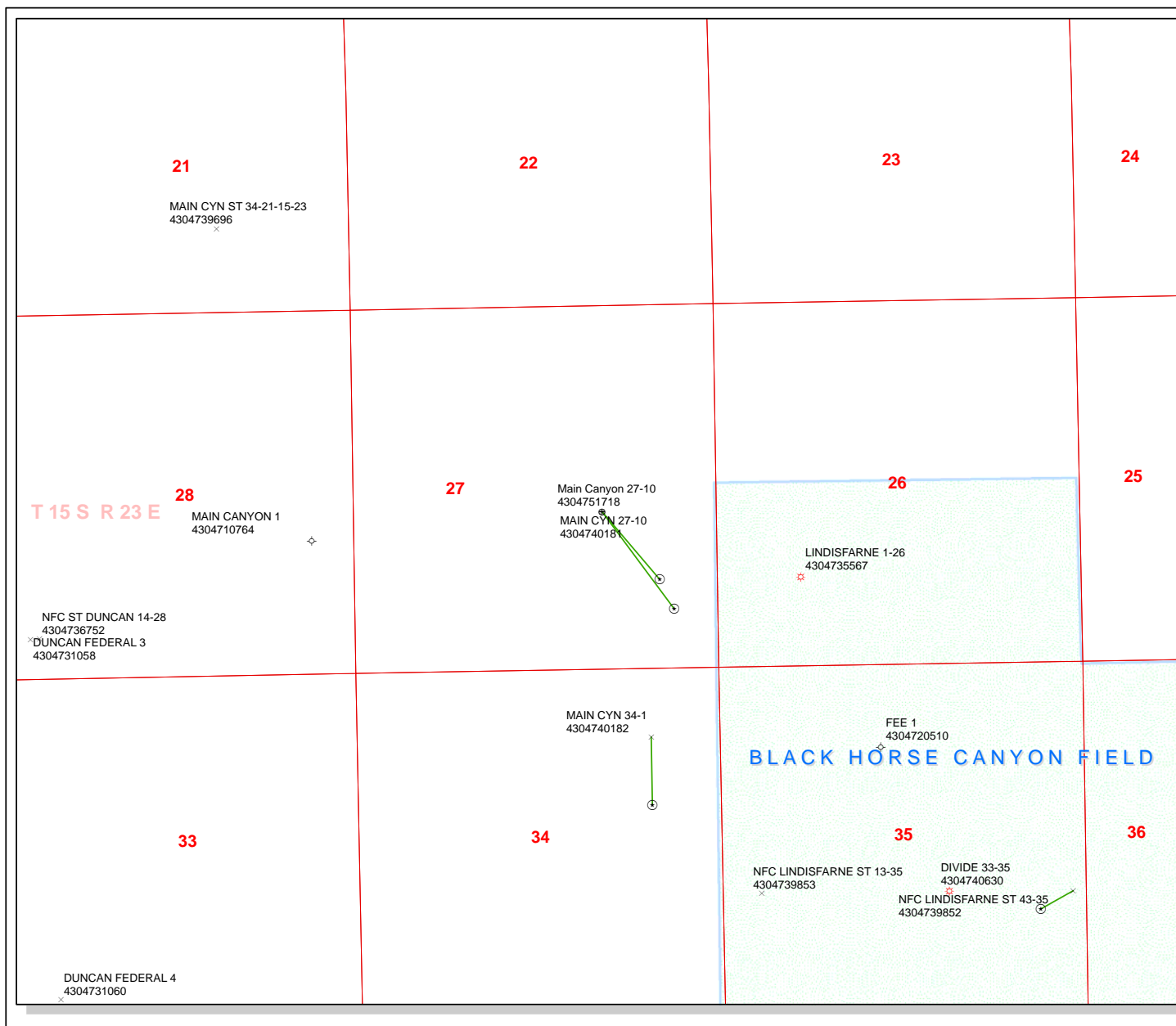
REVISED:

*Tri State*  
*Land Surveying, Inc.*

(435) 781-2501

180 NORTH VERNAL AVE. VERNAL, UTAH 84078

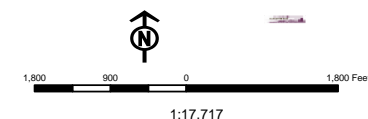
**RECEIVED: June 28, 2011**



**API Number: 4304751718**  
**Well Name: Main Canyon 27-10**  
**Township T1.5 . Range R2.3 . Section 27**  
**Meridian: SLBM**  
**Operator: BAYLESS, ROBERT L PROD LLC**

Map Prepared:  
 Map Produced by Diana Mason

Units	Wells Query
<b>STATUS</b>	<b>Status</b>
ACTIVE	APD - Approved Permit
EXPLORATORY	DRL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NF PP OIL	GS - Gas Storage
NF SECONDARY	LA - Location Abandoned
PI OIL	LOC - New Location
PP GAS	DPS - Operation Suspended
PP GEOTHERMAL	PA - Plugged Abandoned
PP OIL	PGW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
<b>Fields</b>	<b>Fields</b>
Unknown	SGW - Shut-in Gas Well
ABANDONED	SOW - Shut-in Oil Well
ACTIVE	TA - Temp. Abandoned
COMBINED	TW - Test Well
INACTIVE	WDW - Water Disposal
STORAGE	WW - Water Injection Well
TERMINATED	WSW - Water Supply Well
Sections	
Township	



BOPE REVIEW      ROBERT L. BAYLESS, PRODUCER LLC   Main Canyon 27-10   43047517180000

Well Name	ROBERT L. BAYLESS, PRODUCER LLC Main Canyon 27-10			
String	COND	SURF	PROD	
Casing Size(in)	14.000	9.625	5.500	
Setting Depth (TVD)	100	1000	9989	
Previous Shoe Setting Depth (TVD)	0	100	1000	
Max Mud Weight (ppg)	8.3	8.3	9.4	
BOPE Proposed (psi)	0	500	5000	
Casing Internal Yield (psi)	1000	3520	7740	
Operators Max Anticipated Pressure (psi)	4128		7.9	

Calculations	COND String	14.000	"
Max BHP (psi)	.052*Setting Depth*MW=	43	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	31	NO   air drill
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	21	NO   OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	21	NO
Required Casing/BOPE Test Pressure=		100	psi
*Max Pressure Allowed @ Previous Casing Shoe=		0	psi   *Assumes 1psi/ft frac gradient

Calculations	SURF String	9.625	"
Max BHP (psi)	.052*Setting Depth*MW=	432	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	312	YES   air drill
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	212	YES   OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	234	NO   OK
Required Casing/BOPE Test Pressure=		1000	psi
*Max Pressure Allowed @ Previous Casing Shoe=		100	psi   *Assumes 1psi/ft frac gradient

Calculations	PROD String	5.500	"
Max BHP (psi)	.052*Setting Depth*MW=	4883	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	3684	YES
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	2685	YES   OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	2905	NO   Reasonable
Required Casing/BOPE Test Pressure=		5000	psi
*Max Pressure Allowed @ Previous Casing Shoe=		1000	psi   *Assumes 1psi/ft frac gradient

Calculations	String		"
Max BHP (psi)	.052*Setting Depth*MW=		
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO
Required Casing/BOPE Test Pressure=			psi

API Well Number: 43047517180000

\*Max Pressure Allowed @ Previous Casing Shoe=

psi \*Assumes 1psi/ft frac gradient

**RECEIVED:** August 17, 2011



SE SE Sec 27-15S-23E

Well name:	<b>43047517180000 Main Canyon 27-10</b>	
Operator:	<b>ROBERT L. BAYLESS, PRODUCER LLC</b>	
String type:	Surface	Project ID: 43-047-51718
Location:	UINTAH COUNTY	

**Design parameters:****Collapse**

Mud weight: 8.330 ppg  
Design is based on evacuated pipe.

**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 74 °F  
Bottom hole temperature: 88 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 100 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 880 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 1,000 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.70 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.  
Neutral point: 877 ft

**Non-directional string.****Re subsequent strings:**

Next setting depth: 9,600 ft  
Next mud weight: 9.400 ppg  
Next setting BHP: 4,688 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 1,000 ft  
Injection pressure: 1,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	1000	9.625	36.00	J-55	ST&C	1000	1000	8.796	8690
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	433	2020	4.669	1000	3520	3.52	36	394	10.95 J

Prepared by: Helen Sadik-Macdonald  
Div of Oil, Gas & Mining

Phone: 801 538-5357  
FAX: 801-359-3940

Date: August 9, 2011  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 1000 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:	<b>43047517180000 Main Canyon 27-10</b>		
Operator:	<b>ROBERT L. BAYLESS, PRODUCER LLC</b>		
String type:	Production	Project ID:	43-047-51718
Location:	UINTAH COUNTY		

**Design parameters:****Collapse**

Mud weight: 9.400 ppg  
Design is based on evacuated pipe.

**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 74 °F  
Bottom hole temperature: 208 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 100 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 2,576 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 4,688 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.60 (B)

Tension is based on air weight.  
Neutral point: 8,614 ft

**Directional Info - Build & Drop**

Kick-off point 4378 ft  
Departure at shoe: 1764 ft  
Maximum dogleg: 3 °/100ft  
Inclination at shoe: 0 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	9989	5.5	17.00	N-80	LT&C	9600	9989	4.767	56302

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	4688	6290	1.342	4688	7740	1.65	163.2	348	2.13 J

Prepared by: Helen Sadik-Macdonald  
Div of Oil, Gas & Mining

Phone: 801 538-5357  
FAX: 801-359-3940

Date: August 9, 2011  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 9600 ft, a mud weight of 9.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

*Engineering responsibility for use of this design will be that of the purchaser.*

**From:** Jim Davis  
**To:** Hill, Brad; Mason, Diana  
**CC:** Bonner, Ed; Garrison, LaVonne; Hansen, Alex; hguerrero@rlbayless.com  
**Date:** 9/27/2011 9:26 AM  
**Subject:** Bayless APD approvals (2)

The following wells have been approved by SITLA including arch and paleo clearance. DWR has recommended a construction and drilling closure period from May 15 to July 15. SITLA would like Bayless to observe that recommendation if possible, and contact myself if not.

4304751718 Main Canyon 27-10  
4301950016 Cedar Camp 35-3

Thanks.  
-Jim

Jim Davis  
Utah Trust Lands Administration  
jimdavis1@utah.gov  
Phone: (801) 538-5156

>>> Alex Hansen 8/11/2011 7:46 PM >>>

Jim,

As I mentioned UDWR recommends a seasonal timing stip for fawning and calving for the Bayless wells in the Book Cliffs (Main canyon and Cedar camp wells) the timing closure is from May 15th through July 15th.

Also the grass we were seeing yesterday is Blue grama (*Bouteloua gracilis*) and one common name is eyebrow grass.

Thanks,  
Alex

Alex Hansen  
Habitat Biologist  
Utah Division of Wildlife Resources  
152 E 100 N  
Vernal, Utah 84078  
Office: (435) 781-5358  
Cell: (435) 823-0941



# **ON-SITE PREDRILL EVALUATION**

## **Utah Division of Oil, Gas and Mining**

**Operator** BAYLESS, ROBERT L PROD LLC  
**Well Name** Main Canyon 27-10  
**API Number** 43047517180000      **APD No** 4087      **Field/Unit** UNDESIGNATED  
**Location: 1/4,1/4** NWSE      **Sec** 27      **Tw** 15.0S      **Rng** 23.0E      2300 FSL 1650 FEL  
**GPS Coord (UTM)** 644060 4371518      **Surface Owner**

### **Participants**

Richard Powell (DOGM), Alex Hansen (DWR), Habib Guerrero (Robert L. Bayless, Producer LLC), Paul Hawkes (Tristate land Surveying)

### **Regional/Local Setting & Topography**

This location lies along the center of a half mile wide ridge that extends off from the south side of Seep Ridge near the top of the Book Cliffs divide. The ridge, and the area around the location, slopes gradually to the southwest toward Main Canyon, a fairly deep northwest flowing drainage of the Book Cliffs. To the north and west of the location there are small canyons, which lead to Main Canyon. Ouray, UT is approximately 52 miles to the northwest along the Seep Ridge road.

### **Surface Use Plan**

#### **Current Surface Use**

Wildlife Habitat  
Grazing  
Recreational

<b>New Road Miles</b>	<b>Well Pad</b>	<b>Src Const Material</b>	<b>Surface Formation</b>
0.05	<b>Width</b> 200 <b>Length</b> 400	Onsite	GRRV

**Ancillary Facilities** N

**Waste Management Plan Adequate?** Y

### **Environmental Parameters**

**Affected Floodplains and/or Wetlands** N

#### **Flora / Fauna**

Deer, Elk, Cougar, Black Bear, Rodents, Rabbitt, Raptors, Sonbirds.  
Mountain Mahogany, Oak Brush, Pinyon, Juniper, Sage, Grasses.

#### **Soil Type and Characteristics**

Loam topsoil

**Erosion Issues** N

**Sedimentation Issues** N

**Site Stability Issues** N

**Drainage Diverson Required?** N

**Berm Required?** N**Erosion Sedimentation Control Required?** N**Paleo Survey Run?** **Paleo Potential Observed?** N **Cultural Survey Run?** Y **Cultural Resources?** N**Reserve Pit****Site-Specific Factors****Site Ranking**

<b>Distance to Groundwater (feet)</b>	>200	0
<b>Distance to Surface Water (feet)</b>	>1000	0
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0
<b>Distance to Other Wells (feet)</b>	>1320	0
<b>Native Soil Type</b>	Mod permeability	10
<b>Fluid Type</b>	Fresh Water	5
<b>Drill Cuttings</b>	Normal Rock	0
<b>Annual Precipitation (inches)</b>	10 to 20	5
<b>Affected Populations</b>		
<b>Presence Nearby Utility Conduits</b>	Not Present	0
<b>Final Score</b>		20

1 Sensitivity Level

**Characteristics / Requirements**

Reserve pit is to placed in cut in a stable location. Dimensions are 100' x 165' x 8' deep. Liner must be a minimum 16 mil liner with felt subliner.

**Closed Loop Mud Required?** N **Liner Required?** Y **Liner Thickness** 16 **Pit Underlayment Required?** Y**Other Observations / Comments**

An onsite evaluation of this site was conducted July 29, 2008. The former API# is 43-047-40181. At the time of this visit most of the well stakes were gone.

Richard Powell  
**Evaluator**

7/26/2011  
**Date / Time**

# Application for Permit to Drill

## Statement of Basis

9/27/2011

Utah Division of Oil, Gas and Mining

Page 1

<b>APD No</b>	<b>API WellNo</b>	<b>Status</b>	<b>Well Type</b>	<b>Surf Owner</b>	<b>CBM</b>
4087	43047517180000	SITLA	GW	S	No
<b>Operator</b>	BAYLESS, ROBERT L PROD LLC		<b>Surface Owner-APD</b>		
<b>Well Name</b>	Main Canyon 27-10		<b>Unit</b>		
<b>Field</b>	UNDESIGNATED		<b>Type of Work</b>	DRILL	
<b>Location</b>	NWSE 27 15S 23E S 2300 FSL 1650 FEL GPS Coord (UTM) 644066E 4371518N				

**Geologic Statement of Basis**

Bayless proposes to set 100' of conductor pipe and 1,000' of surface casing at this location. The base of the moderately saline water is at approximately 3,100 feet in this area. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the upper Green River formation and fresh water can be expected to be found in the upper Green River. A search of Division of Water Rights records indicates no water wells within a 10,000 foot radius of the proposed location. The production string cement should be brought up above the base of the moderately saline water to prevent it from mixing with fresher waters up hole.

Brad Hill  
APD Evaluator

8/2/2011  
Date / Time

**Surface Statement of Basis**

A predrill site inspection was conducted on 7/29/2008, but the well was not drilled and the original permit rescinded. This onsite investigation was conducted on 7/26/2011. This site is on state surface with state minerals and appears to be in a good location that will provide good site stability and protection from runoff and erosion concerns. Jim Davis of SITLA was invited but did not attend due to family needs but requested that all vegetation be removed and stacked off location before any earth moving. Mr. Davis further requested that all top soil be stock piled off location for use when the site is eventually reclaimed. Alex Hansen of DWR stated that this site is important deer and elk calving and fawning range and recommended that drilling and construction not be done from May 15 through July 15.

Richard Powell  
Onsite Evaluator

7/26/2011  
Date / Time

**Conditions of Approval / Application for Permit to Drill**

<b>Category</b>	<b>Condition</b>
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	Vegetation and top soil must be removed and stacked off location prior to earth moving to be available for use during reclamation.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

## WORKSHEET APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 6/28/2011**API NO. ASSIGNED:** 43047517180000**WELL NAME:** Main Canyon 27-10**OPERATOR:** ROBERT L. BAYLESS, PRODUCER LLC (N7950)**PHONE NUMBER:** 505 564-7810**CONTACT:** Habib Guerrero**PROPOSED LOCATION:** NWSE 27 150S 230E**Permit Tech Review:** ☒**SURFACE:** 2300 FSL 1650 FEL**Engineering Review:** ☒**BOTTOM:** 0870 FSL 0630 FEL**Geology Review:** ☒**COUNTY:** UINTAH**LATITUDE:** 39.48309**LONGITUDE:** -109.32490**UTM SURF EASTINGS:** 644066.00**NORTHINGS:** 4371518.00**FIELD NAME:** UNDESIGNATED**LEASE TYPE:** 3 - State**LEASE NUMBER:** ML-51594**PROPOSED PRODUCING FORMATION(S):** GREEN RIVER**SURFACE OWNER:** 3 - State**COALBED METHANE:** NO**RECEIVED AND/OR REVIEWED:**

- ☒ **PLAT**
- ☒ **Bond:** STATE - 141769447
- ☐ **Potash**
- ☐ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ☒ **Water Permit:** 43-8496
- ☐ **RDCC Review:**
- ☐ **Fee Surface Agreement**
- ☐ **Intent to Commingle**

**Commingle Approved****LOCATION AND SITING:**

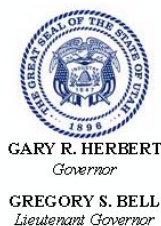
- ☐ **R649-2-3.**
- Unit:**
- ☐ **R649-3-2. General**
- ☒ **R649-3-3. Exception**
- ☒ **Drilling Unit**
- Board Cause No:** R649-3-11
- Effective Date:**
- Siting:**
- ☒ **R649-3-11. Directional Drill**

**Comments:** Presite Completed

**Stipulations:** 1 - Exception Location - dmason  
5 - Statement of Basis - bhll  
15 - Directional - dmason  
23 - Spacing - dmason

**RECEIVED: September 27, 2011**





## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

### Permit To Drill

\*\*\*\*\*

**Well Name:** Main Canyon 27-10  
**API Well Number:** 43047517180000  
**Lease Number:** ML-51594  
**Surface Owner:** STATE  
**Approval Date:** 9/27/2011

**Issued to:**

ROBERT L. BAYLESS, PRODUCER LLC, P.O. Box 168, Farmington, NM 87499

**Authority:**

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-11. The expected producing formation or pool is the GREEN RIVER Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

**Duration:**

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

**Exception Location:**

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

**General:**

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**Conditions of Approval:**

In accordance with Utah Admin. R. 649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

**Additional Approvals:**

The operator is required to obtain approval from the Division of Oil, Gas and mining before performing any of the following actions during the drilling of this well:

- Any changes to the approved drilling plan – contact Dustin Doucet
- Significant plug back of the well – contact Dustin Doucet
- Plug and abandonment of the well – contact Dustin Doucet

**Notification Requirements:**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels  
OR  
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <http://oilgas.ogm.utah.gov>
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program – contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well – contact Dan Jarvis

**Contact Information:**

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voicemail message if the person is not available to take the call):

- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office  
801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office  
801-231-8956 - after office hours

**Reporting Requirements:**

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:

API Well No: 43047517180000

**Approved by:**

A handwritten signature in black ink, appearing to read 'J. Rogers', written in a cursive style.

For John Rogers  
Associate Director, Oil & Gas



# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

December 7, 2012

Robert L. Bayless, Producer LLC  
P.O. Box 168  
Farmington, NM 87499

Re: APD Rescinded – Main Cyn 27-10, Sec. 27, T. 15S, R. 23E,  
Uintah County, Utah API No. 43-047-51718

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 27, 2011. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective December 7, 2012.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason  
Environmental Scientist

cc: Well File  
SITLA, Ed Bonner

